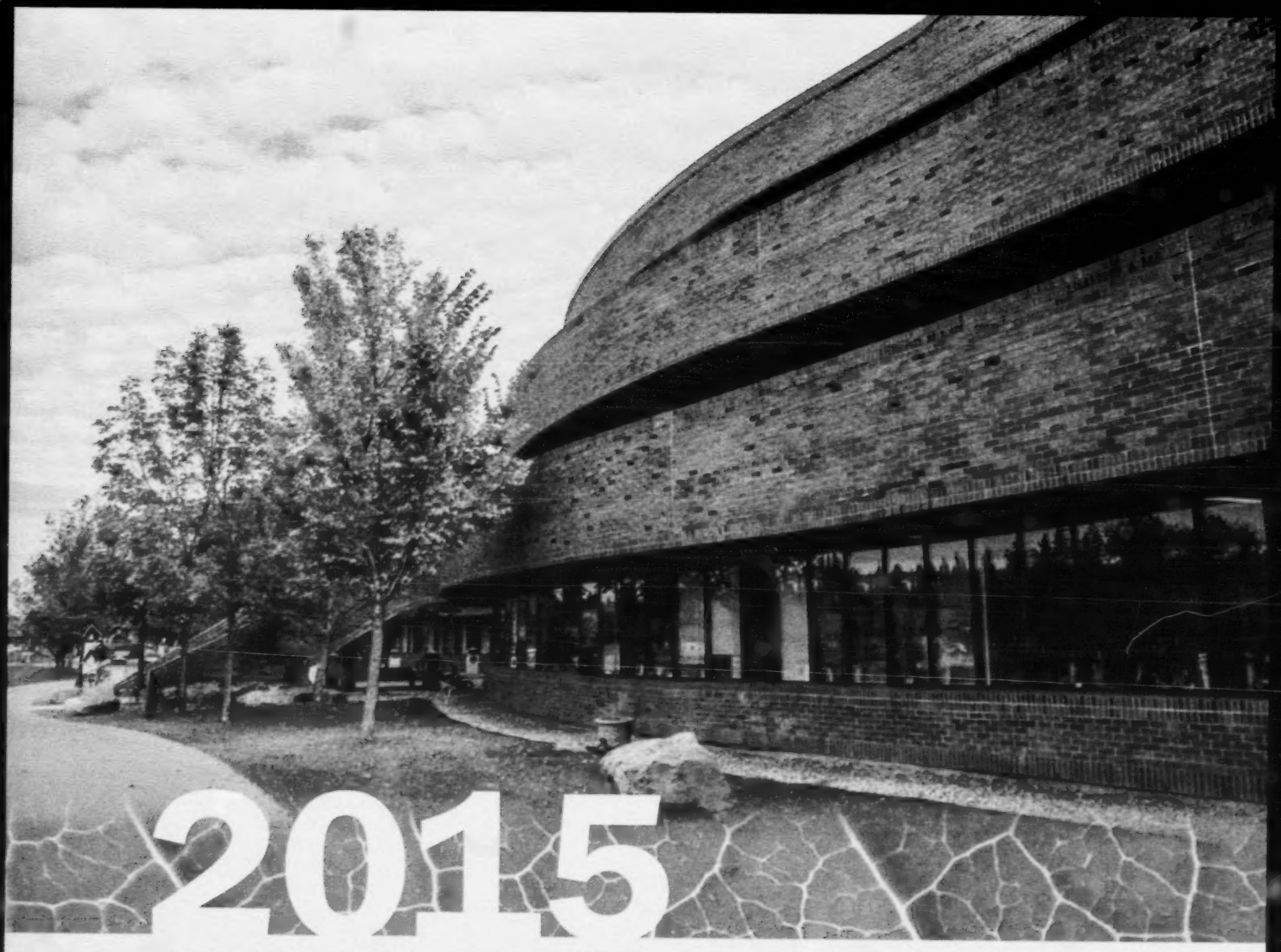

2015 ANNUAL REPORT

CITY OF ST. ALBERT

PROVINCE OF ALBERTA

FOR THE YEAR ENDED DECEMBER 31, 2015

stalbert.ca

City of St. Albert Cultivate Life

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2015 Annual Report, for the year ended December 31, 2015
Prepared by: Corporate Strategic Services Division and Financial Services

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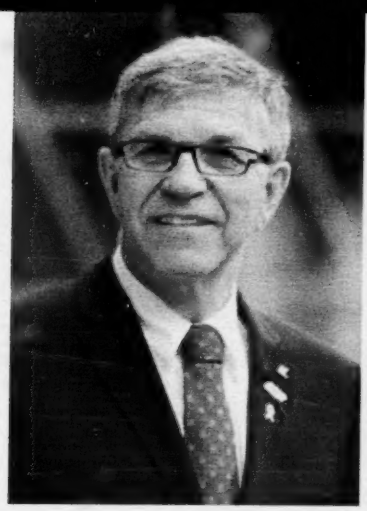


MESSAGE FROM THE MAYOR

On behalf of City Council, it is my pleasure to present the City of St. Albert's 2015 Annual Report.

St. Albert, the Botanical Arts City, is one of the safest, most beautiful and most creative places in Canada. We are blessed to live in the midst of a tremendous landscape, with many parks, trails and natural areas in walking distance. We are an active community, which embraces many recreational opportunities available in our city.

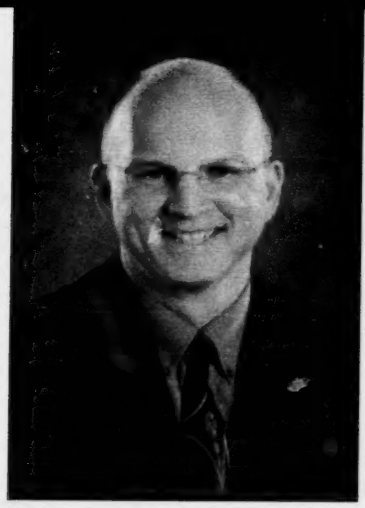
The City of St. Albert offers residents a variety of essential services and we are proud to do so in a fiscally responsible manner. Council has taken a long term view of what is required to ensure we have a sustainable city well into the future. We have developed the City of St. Albert Strategic Plan to outline our priorities and look forward to finalizing our Community Vision to guide councils and administrations over the next 50 years.

Council has identified six strategic outcomes that provide clarity on what we as a community, are working together to achieve over the next 50 years:

- Cultivate Economic Prosperity.
- Cultivate a Historic, Creative and Active Community
- Cultivate a Green Community
- Cultivate Excellence in Government
- Cultivate Sustainable Infrastructure and Services
- Cultivate a Safe, Healthy and Inclusive Community

Council is committed to providing our City with wise and visionary governance on behalf of residents and local businesses. I invite you to read the rest of this report to learn about the work Administration is doing to support Council's strategic outcomes. By working together with our community, we ensure St. Albert continues to be one of the fines cities to live, work and welcome visitors.

Nolan Crouse
Mayor of St. Albert
The Botanical Arts City



MESSAGE FROM THE INTERIM CITY MANAGER

On behalf of Administration, I am pleased to introduce the City of St. Albert's 2015 Annual Report to Council and the community.

During the past year, Council focused on six strategic outcome areas:

- Cultivate Economic Prosperity.
- Cultivate a Historic, Creative and Active Community
- Cultivate a Green Community
- Cultivate Excellence in Government
- Cultivate Sustainable Infrastructure and Services
- Cultivate a Safe, Healthy and Inclusive Community

Administration maintained existing service standards and recommended new initiatives to support these Council areas of focus. The following are a few highlights you will find throughout the report.

Cultivate Economic Prosperity
The Smart City Master Plan made progress in 2015 with the gathering of input from nearly 2,000 stakeholders to help shape the recommendations put forward in the plan. Along with this development, the planning for the second annual Smart City Symposium took place – the event aimed to bring together a cross sector collective to collaborate and consider the innovative future of Alberta's communities and was scheduled for spring 2016.

The Downtown Area Redevelopment Plan (DARP) continued to progress with the St. Anne Street reconfiguration. The project included construction related to parking areas near St. Anne Promenade and Grandin Medical Clinic and installation of underground power infrastructure for street lighting. The remaining construction work in 2016 will continue working toward a rejuvenated and vibrant downtown core.

Cultivate a Historic, Creative and Active Community
In order to respond to the needs of our growing community, a New Facility Prioritization Assessment Model was developed to help the City predict the future need for new municipal facilities. Initially intended for Servus Place only, the model was expanded to include all City facilities and a significant public engagement process. The key objective of the

engagement was to ensure the guidance created by the model was on point with the public needs as well.

Work continued on Founder's Walk Phase Two, which included public engagement and establishment of the design. Also, a site was selected and blessing ceremony preformed for the Healing Garden, which will commemorate the survivors of Indian Residential Schools in St. Albert.

In the spirit of ensuring all residents are able to access a broad spectrum of recreation activities, the City secured Provincial funding for access improvements to the Lois Hole Provincial Park. This funding covers a left-hand merge lane to the parking lot from Ray Gibbon Drive, a right-hand turn bay and improvements to the way-finding signage, allowing residents and tourists to take advantage of the new attraction with ease.

Cultivate a Green Community

Continuing our efforts to protect and maintain the Sturgeon River Watershed, the Alliance (SRWA) Steering Committee held a Sturgeon River Watershed Forum in September, featuring presentations from Alberta Environment and Parks on new wetland policy guidelines and from Ducks Unlimited on the benefits of wetlands, and an update on the Alberta Land Use Framework.

To assist in reducing our solid waste generation as a city, seven area schools began collecting organic waste in 2015. And as of quarter three, Administration had conducted the required background work for organic waste collection to begin at select City facilities by early 2016.

A Natural Areas Assessment took place to provide a foundation for management of the City's natural areas and prioritize the natural areas for preservation. The assessment included the status of existing protected and unprotected natural areas, detailed natural areas information for developing areas of the City, and management guidelines and recommended policy updates.

In our effort to reduce the release of pollutants, St. Albert Transit ran two electric bus trials in 2014 and 2015. The trials examined how the electric buses performed in cold weather, including the reliability of its electrical systems in cold temperatures, the interior heating system, battery life and vehicle range. Following the second bus trial, City Administration compiled and analyzed the results and recommended the purchase of several electric buses to add to the current transit fleet – this is expected to come to fruition next year.

Cultivate Excellence in Government

In our efforts to become a leader in analytics, the City officially moved forward with its Open Data efforts, which when established would make City data easily available to the public at no cost through electronic formats. In collaboration with other municipalities in the region, Administration determined best practices and identified areas of future cooperation. The open data program is on track for launch in 2016.

Another major milestone for the City was the approval of the Community Vision and Pillars of Sustainability. In June, Council approved the Vision and Pillars of Sustainability as presented by the Community Sustainability Committee, comprised of City residents and Council members. An implementation plan for incorporating the Vision and Pillars of Sustainability into Council Policy and the Municipal Development Plan was presented to Council in September 2015. A Council Policy for the Community Sustainability Framework is anticipated to be brought to Council in 2016.

Cultivate Sustainable Infrastructure and Services

In November, Council approved a potential future Light Rail Transit (LRT) functional alignment along St. Albert Trail, identified as the best available option in the LRT Functional Alignment Study. The decision on whether or when LRT will be constructed in St. Albert will take place in future years, but establishing the alignment was necessary in order to preserve it. This will continue to encourage discussion on the importance of an efficient transportation network throughout the city.

Improvements to existing community assets and services continued throughout much of 2015. One of those projects found Administration working to evaluate the City's Sports Field Refurbishment Program, which will determine the number of fields to be refurbished and by what method. The "refresh" program was piloted for the Lorne Akins Field and results will be evaluated in 2016.

A number of projects and programs were carried out in 2015 that support integral infrastructure improvements and operation of our Utilities Systems, this includes but is not limited to: substantial completion of the Olivier Close Drainage Improvement; successful construction of the New Gate Avenue Lift Station and commissioned replacing of the old lift station; and successful replacement of a water main from St. Anne to Tache Street, increasing capacity and the water distribution level of service.

Cultivate a Safe, Healthy and Inclusive Community

A number of initiatives were completed or in progress in 2015 to improve the health and safety of residents of all ages. Key among them were the Social Development Policy, which was approved, along with a three-year Youth Action Plan and Neighbourhood Connectivity Plan, which were presented to Council. The 2015 Social Master Plan implementation and communication plan were updated and initiatives are underway. In September, Council approved the Youth Development Policy.

In 2015, the revised Emergency Response Plan was largely completed with a roll out planned for early 2016. The Emergency Management Bylaw was reviewed so that the Emergency Response Plan can be moved forward. Four "tabletop" exercises had been conducted. A 72-hour emergency planning guide was made available to the community and a companion quick action guide was drafted. The third annual Public Safety Open House took place in June.

In June 2015, Council considered the Safe Journeys to School Action Plan, which identifies multiple capital projects to enhance pedestrian and traffic safety around schools. Council directed Administration to prepare capital charters for the 2016 budget year related to traffic signals, road markings, signage, road analysis, safety campaigns, pedestrian crossing enhancements and school zone traffic calming. The proposed actions will be prioritized and completed over a seven-year period.

Administration is committed to continuing to provide residents with high-quality, cost-effective and sustainable programs and services that are developed and delivered in alignment with Council's priorities for the community.

Chris Jardine
Interim City Manager

INTRODUCTION

The City of St. Albert is pleased to present its 2015 Annual Report, which provides an overview of the City's various corporate and financial accomplishments throughout the year. These accomplishments are based on the City of St. Albert Strategic Plan outlined in the report and the City's audited financial statements.

The Annual Report is divided into three sections:

1. **Introductory Section** – provides messages from the Mayor and City Manager, an overview of the City of St. Albert, including its municipal profile, government structure, and a Year in Review which provides an overview of key corporate activities and accomplishments based on the City of St. Albert Strategic Plan. A discussion and analysis of the financial statements is also included to enhance the reader's understanding of the City's fiscal results and overall condition.
2. **Financial Section** – provides the Management and Auditor Reports and presents the audited financial statements including related notes and schedules.
3. **Statistical Section** – provides a summary of various financial and general statistics.

CITY PROFILE

One of the most beautiful cities in Alberta, St. Albert has long been recognized as a community of choice with its picturesque landscape, celebrated parks and trail system, state of-the-art amenities, inviting neighbourhoods with tree-lined streets, lively arts and culture, and outstanding attractions and events. Established in 1861, St. Albert is steeped in history and is the oldest non-fortified community in Alberta. Today, St. Albert is a vibrant city with a population of 63,255 (2014 Census report).

With direct access to resource development in northern Alberta, excellent transportation networks and a highly educated workforce, St. Albert is positioned to attract clean industry, with a focus on professional, scientific and technical services and "green" industries that match the Botanical Arts City brand.

GOVERNMENT STRUCTURE

The City of St. Albert's mandate is to provide various social and recreational programs, protective services, transportation systems, public utilities, and other local services to the community. The municipality consists of two branches – a legislative branch (comprising City Council), and an administrative branch (led by the City Manager). City Council provides strategic direction to Administration through a variety of plans, bylaws, policies and other governance processes. City Council consists of a Mayor and six Councillors. Council is elected at large by residents to serve a four-year term and governs in accordance with powers granted under the Municipal Government Act.

CITY COUNCIL

Mayor
Nolan Crouse

Councillor
Wes Brodhead

Councillor
Cathy Heron

Councillor
Sheena Hughes

Councillor
Cam MacKay

Councillor
Tim Osborne

Councillor
Bob Russell

Note: Councillor Gilles Prefontaine resigned from Council in early 2015 and was replaced by Councillor Bob Russell via a by-election in June 2015.

CITY COUNCIL VISION, MISSION AND VALUES

City Council's Vision, Mission, and Values provide Administration the foundation to make recommendations to Council and to guide Administration's decisions. The Vision describes the type of city that Council wants St. Albert to become; the Mission describes the Council's purpose; the Values define how Council will carry out decisions and actions.

VISION

As the Botanical Arts City, St. Albert is recognized throughout the region as a vibrant and thriving urban centre with a strong sense of community.

MISSION

Represent the citizens of St. Albert, make decisions in the best interest of the entire community and ensure the corporation delivers results that will help sustain a high quality of life for St. Albertans.

VALUES

Community
Consider the best interests of the community.

Engagement
Engage residents and stakeholders in City Council and community matters.

Integrity
Behave consistently with our values.

Respect
Respect and consideration for all people and their perspectives.

Stewardship
Stewardship of community resources.

Trust
Earn and retain trust.

Understanding
Understand the issues – be inquisitive, informed and prepared.

Acceptance
Accept the diversity of opinions and skill sets of Council members.

Forward Thinking
Employ a forward-thinking mindset when faced with decisions that impact the long-term sustainability of the community.

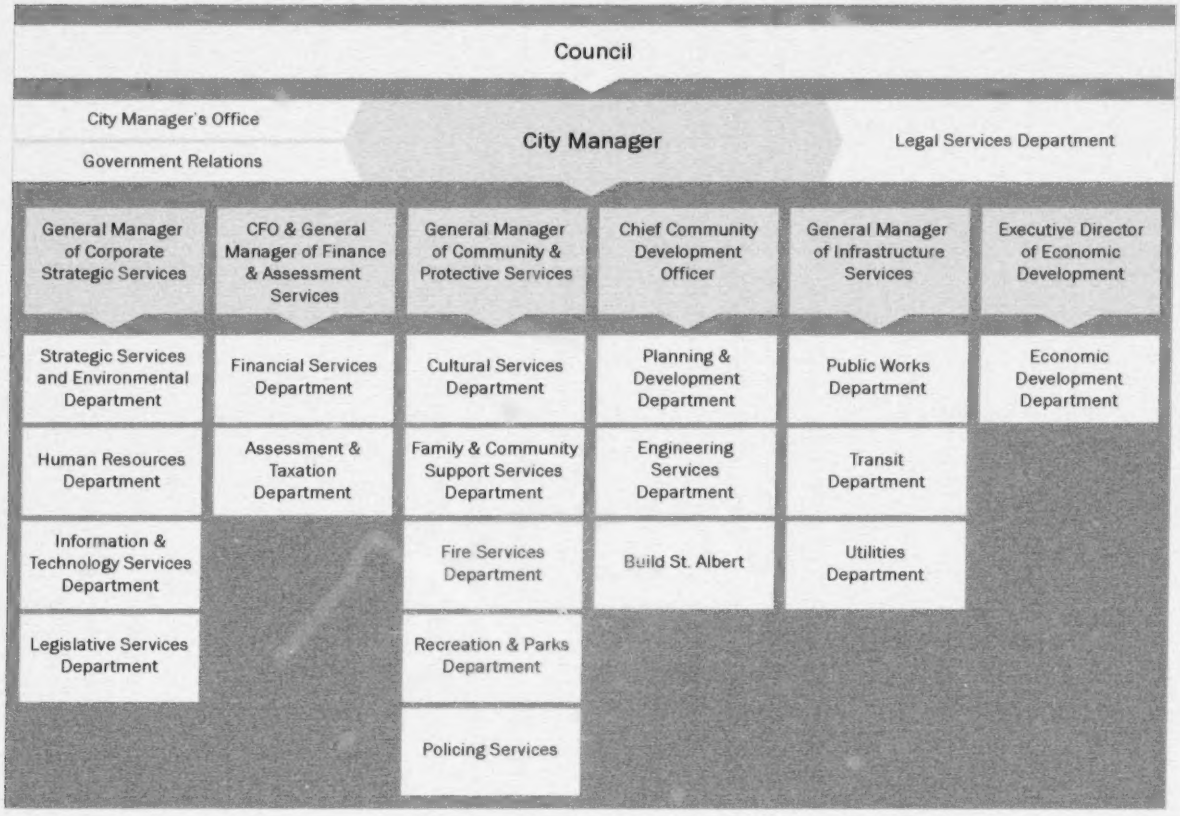
ADMINISTRATION

City Administration is led by an appointed City Manager.

The Senior Leadership Team serves as the organization's executive administration and provides strategic direction. It includes the City Manager and has the following members:

- Chief Community Development Officer
- Chief Financial Officer and General Manager of Finance and Assessment Services
- Executive Director of Economic Development
- General Manager of Community & Protective Services
- General Manager of Corporate Strategic Services
- General Manager of Infrastructure Services

A broader Leadership Team provides essential support and operational direction. It is made up of department directors.



CITY OF ST. ALBERT STRATEGIC FRAMEWORK

Our strategic framework starts with the City listening, responding, servicing and reporting to residents. Ongoing public consultation also takes place throughout each phase to hear from residents and help guide decisions.

This structured framework provides clarity and directs the City's future, as well as provides a balanced approach to achieve long-term plans and focus on short-term action.

COMMUNITY VISION AND VALUES

The Community Vision and Pillars of Sustainability provide Administration with a single, shared community vision and set of sustainability pillars in order to govern, align and conform all strategic planning and decision making efforts across the City.

CITY OF ST. ALBERT STRATEGIC PLAN

Council's strategic directions shall be identified through the development of a four-year City of St. Albert Strategic Plan. The strategic plan identifies Council's priorities for their term, based on its interpretation of the Community Vision and Pillars of Sustainability and Long-Term Plans.

LONG-TERM PLANS

Long-Term Plans align with the strategic framework and act as the primary long term plans to achieve the Community Vision and Pillars of Sustainability. These plans include the Municipal Development Plan (MDP), Master Plans, Long-Term Department Plans and other directional plans as deemed appropriate.

CORPORATE ACTION PLANS

Administration shall develop Corporate Action Plans to support the delivery of programs and services and implement the City of St. Albert Strategic Plan. Corporate Action Plans shall provide an overview of the programs and services delivered to the community, strategic initiatives undertaken in support of the City of St. Albert Strategic Plan and resources required to deliver on the plan.

CORPORATE BUDGETING

The corporate budget is the financial representation of the City of St. Albert Strategic Plan. All strategic and operational efforts that result from the City of St. Albert Strategic Plan and Corporate Action Plans are aligned to the City's budget cycle. Each year, Administration prepares a Corporate Business Plan that provides a summary of key strategic priorities, major projects and supporting budget requirements to residents during the annual budget process.

PROGRAM & SERVICE DELIVERY

All programs and services shall align to the Community Vision and Pillars of Sustainability.

EVALUATION & REPORTING

The City communicates its progress towards achieving the community vision through reporting. This includes both quantitative and qualitative statistics based on measurable indicators from the City of St. Albert Strategic Plan. Reporting typically occurs on a quarterly and annual basis.

YEAR IN REVIEW

The Year In Review section provides an overview of accomplishments for both City services delivered to residents and progress demonstrated towards achievement of Council's strategic outcomes, goals and priorities throughout 2015.

CITY SERVICES

The City provides a variety of community, municipal, strategic and support services. These programs and services are planned and delivered based on community needs and expectations, under Council's direction.

The following section provides an overview of the key highlights in 2015 observed across City services.

COMMUNITY, RECREATIONAL AND CULTURAL SERVICES

The City of St. Albert offers a variety of outstanding programs and services that enhance the quality of life and provide opportunities to residents and visitors of all ages to participate in recreation, arts, culture, and general community programs.

FAMILY AND COMMUNITY SUPPORT SERVICES

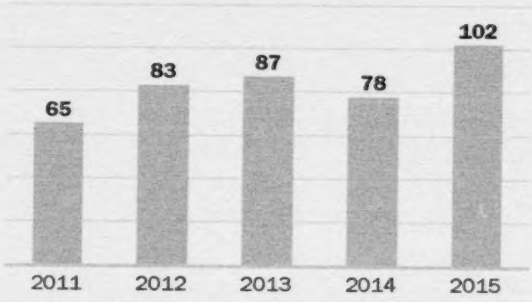
Family and Community Support Services (FCSS) are offered to residents through a mandated program. The Alberta provincial government funds 80% and the City funds the remaining 20%.

FCSS provides community development and youth programming, which consist of neighbourhood development, the family-school liaison program, and asset development in youth.

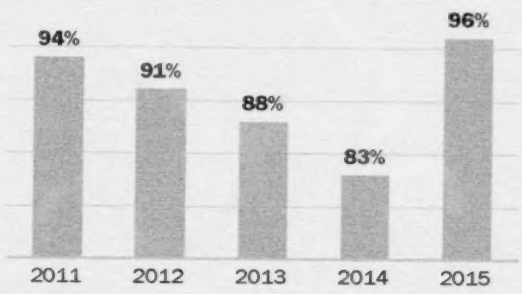
Since 2010, FCSS has helped to foster a sense of community and connectedness through the use of neighbourhood block parties. The number of neighbourhood block parties has been increasing from 65 in 2011 to 78 in 2014. In 2015, there were a record 102 block parties attended by 4,896 residents.

From 2011 to 2012, the improved feeling of community connectedness amongst block party attendees registered in the 90th percentile. Figures for 2013 and 2014 were in the 80th percentile. In 2015, 96% of residents who attended block parties reported an improved feeling of community connectedness.

Number of Block Parties



Improved Feeling of Community Connectedness



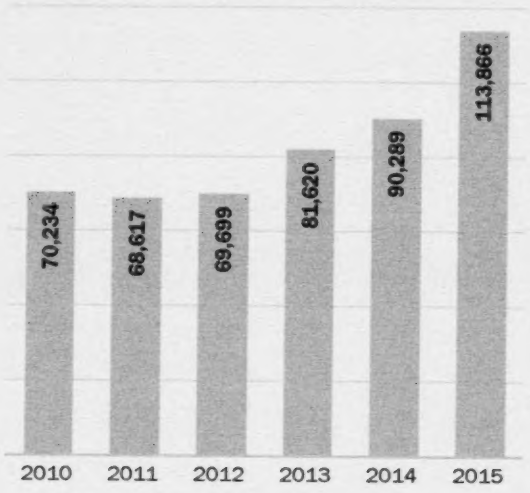
2015 Block Party

CULTURAL SERVICES

In collaboration with residents, Cultural Services provides quality cultural experiences and opportunities to stimulate individual exploration and creative expression. These include the St. Albert's Children Theatre and Arden Theatre professional programming, visual art programming involving local art studios, and public art and heritage programs.

Cultural Services sponsor events such as the Northern Alberta International Children's Festival and the Amplify Youth Festival, as well as the Mayor's Celebration of the Arts, which recognizes and celebrates artists in the community.

Arden Theatre Attendance Per Year



From 2010 to 2012, Arden Theatre program attendance was less than 80,000 in each year. Attendance for 2013 topped 80,000, and rose again to 90,289 in 2014. In 2015 attendance reached 113,866 due to increased rentals and programming.

Arden Theatre

Amplify Youth Festival

Mayor's Celebration of the Arts

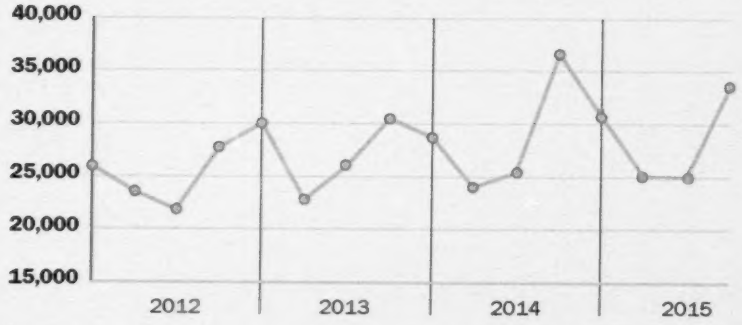
Northern Alberta International Children's Festival

RECREATION AND PARKS

The City provides a wide range of recreation and parks opportunities, both directly and through community partnerships. These opportunities include access to and programming of aquatics facilities, fitness centres, gymnasiums, arenas and other ice surfaces, sport fields and field houses. In addition, the City also offers recreational events such as the Servus Place Halloween Haunt and the Spruce Up St. Albert events.

In 2015, culture, fitness and aquatics, recreation and parks programs drew 114,301 drop-in participants, slightly less than 2014's 115,755 participants. Both figures exceed those for 2012 (98,686) and 2013 (109,079). These drop-in participants include those taking part in City offered drop-in programming in Recreation, Fitness and Aquatics.

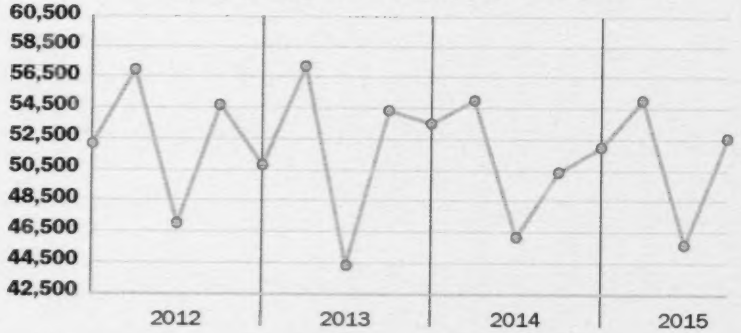
Drop-In Program Participation Per Quarter



Annual Total	98,686	109,079	115,755	114,301

The level of registered participants in culture, fitness and aquatics, recreation and parks programs increased slightly in 2015 from 2014, from 205,124 to 205,228 participants.

Registered Program Participation Per Quarter



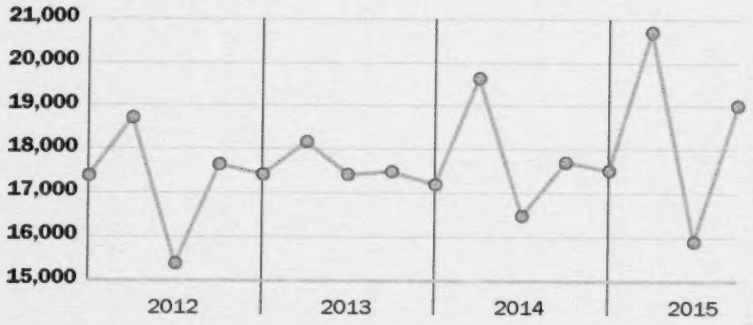
Annual Total	210,812	206,668	205,124	205,228

Spruce Up St. Albert

Servus Place

The community's use, participation and rental of City's facilities continue to grow. City facilities include Servus Place (fieldhouses, gymnasiums, arenas), playfields/playgrounds, outdoor fields, Akinsdale/Kinex arenas, Fountain Park and Grosvenor pools, Arden Theatre, Progress Hall and Visual Art Studios.

Rental and Programmed Hours at Recreation Spaces



	2012	2013	2014	2015
Annual Total	69,143	70,502	71,052	73,148

Rental and programmed hours at Recreational facilities reached 73,148 hours in 2015, an increase of 2,096 hours from 2014. The City's recreational facilities use has been increasing from year to year since 2011.

Lions Club Outdoor Fitness Park

Fountain Park

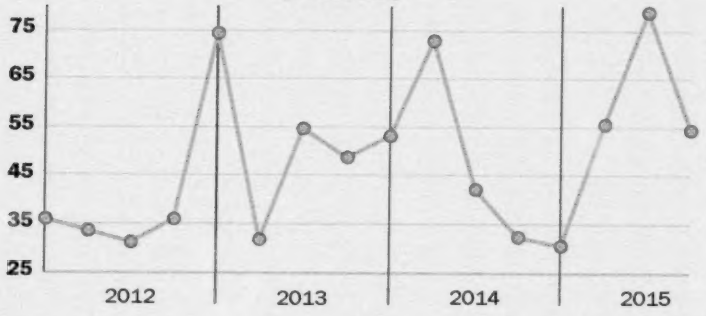
ECONOMIC DEVELOPMENT

Economic development programs and services are provided to help retain and expand local businesses and attract new investment, residents and visitors to the city. Key programs include business retention and expansion, resident recruitment, investment recruitment, business licensing and tourism.

Building construction values have progressively increased since 2010, spiking in Q1 2013 and Q2 2014, and reaching a quarterly high since 2011 in Q3 2015. Building construction values are measured by the permits granted for residential, industrial & commercial construction, and institutional development and/or renovations.

The total construction value in 2012 was $136.47 million, and $209.15 million in 2013. In 2014, the total construction value was $200.21 million, which was almost matched by 2015 figure of $219.8 million.

Building Construction Value Per Quarter ($ Millions)

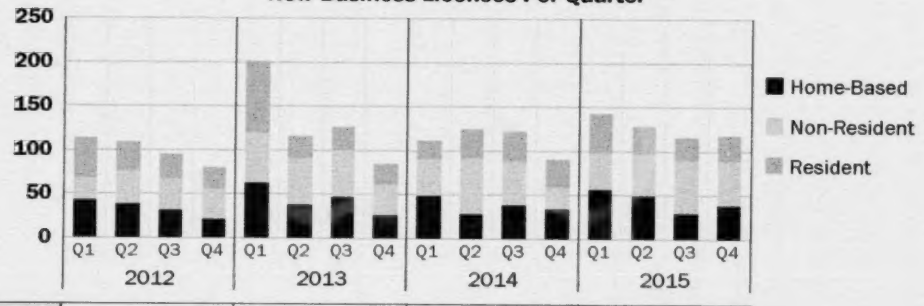


Annual Total	136.47	209.15	200.21	219.8

St. Albert has also seen growth in the number of new business licences since 2012. Business licences fall into three categories: new resident (businesses within St. Albert), non-resident (nearby businesses outside the city boundaries) and home-based (businesses operated at a residence in St. Albert).

The number of new business licences issued by the City increased from 396 in 2012 and reached 529 in 2013. In 2015, 505 new business licences were issued, an increase from 2014's figure of 448.

New Business Licences Per Quarter



Annual Total	396	529	448	505

MUNICIPAL SERVICES

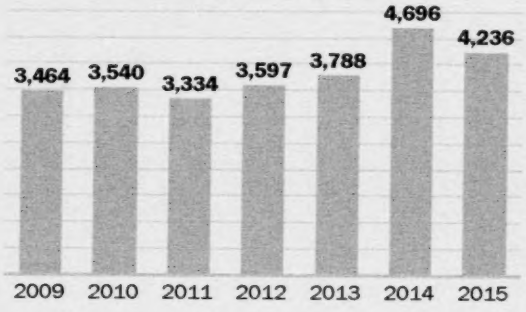
The City provides a number of municipal services that are required by residents, visitors and businesses to maintain enjoyment, safety and quality of life.

PLANNING & DEVELOPMENT

The Planning and Development Department is responsible for coordinating land development for the community. To facilitate land development, key services include processing applications to ensure planning regulations and statutory regulations are met; issuing building permits, and conducting building inspections for all residential, commercial, institutional, park and industrial development.

The number of permits for building, mechanical, electrical, plumbing, water and sewer, gas and propane, and heating, ventilation, and air conditioning (HVAC) issued by the City are an indicator to assessment growth. In 2014, the City issued a total of 4,696 permits; the highest number of permits issued since 2008.

Total Permits Per Year



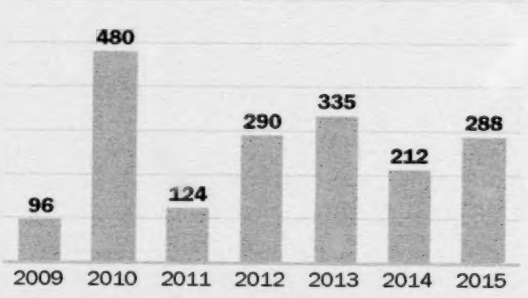
The 4,236 permits issued in 2015 show a slight decrease from 4,696 issued permits in 2014. Both figures are significantly higher than 2013 levels at 3,788 and 2012 levels at 3,597.

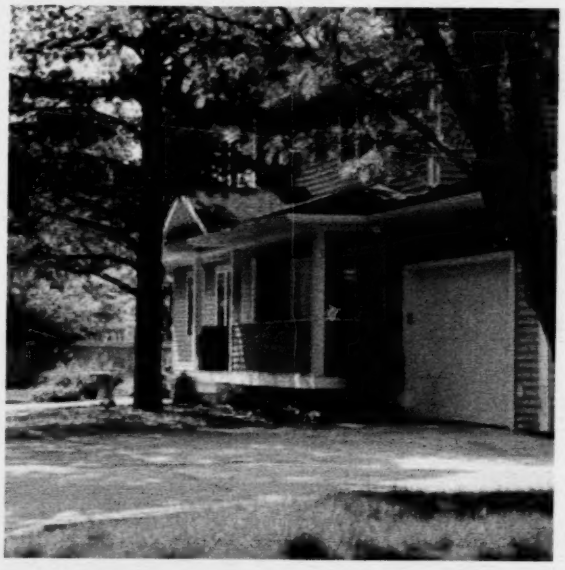
ENGINEERING

The Engineering Department provides key services and programs including infrastructure and transportation planning, infrastructure and asset management, capital projects management, and engineering planning and development.

In 2015, there were 288 subdivided and registered parcels for both residential and non-residential buildings, up from 2014's figure of 212 but still less than the 2012 (290) and 2013 (335) figures. Since 2008, the highest number of registered parcels was recorded in 2010 at 480 lots.

All Lots Registered at Land Titles Per Year



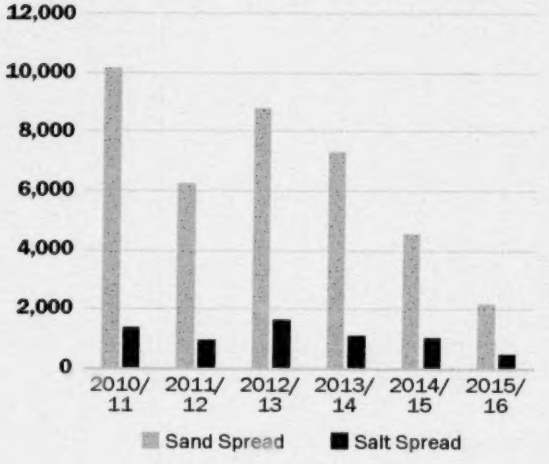


PUBLIC WORKS

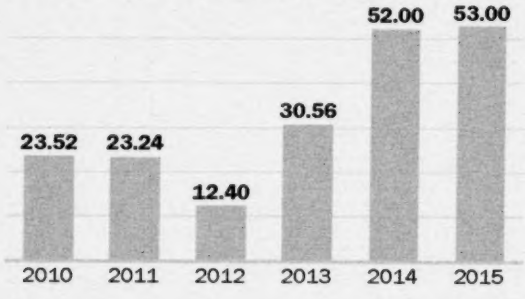
The Public Works staff ensure that the City's infrastructure is operated and maintained in a cost-effective manner with established service levels consistent with regulated safety standards. Key services and programs include snow and ice control, turf maintenance, urban forestry management, maintenance of city buildings, recreational facilities, fleet and equipment, and roadway repair and maintenance.

In 2015, Public Works continued a five-year trend showing a reduction in the amount of salt and sand applied on City streets to minimize the impact on the environment. In addition, Public Works spray-patched 53 kilometers of roads in 2014, the longest kilometres of roads spray-patched in the past seven years.

Cumulative Season Tonnes of Sand & Salt Applied



Kilometres of Road Spray-Patched Per Year

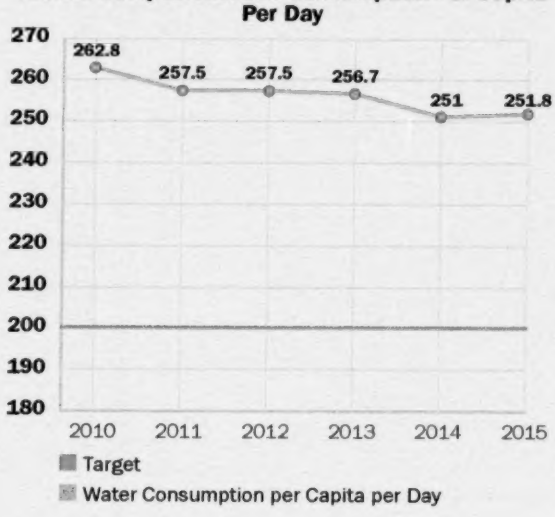


UTILITIES

The Utilities Department provides water, wastewater, storm water, garbage collection and disposal, and compost and recycling services for the residents of St. Albert. To accomplish this, several areas within the City work together to provide support and services dedicated to or aligned with the Utilities Department including Engineering and Finance.

Water consumption's downward trend since 2010 ended in 2015. In both 2014 and 2015 water consumption per capita per day was 251 litres per capita per day. The City's overall target for composite water consumption per capita per day is 200 litres by 2020.

Annual Composite Water Consumption Per Capita Per Day

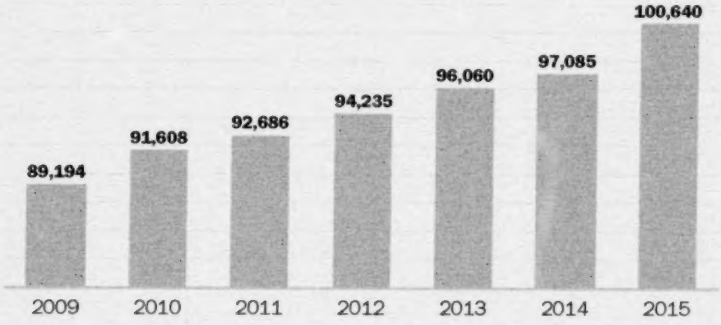


TRANSIT SERVICES

For St. Albert residents, public transit services provide safe, reliable, equitable, convenient and cost-effective travel within the city and to Edmonton. The City offers local and commuter conventional transit, specialized transit (Handibus) for residents with reduced mobility, and charter bus services.

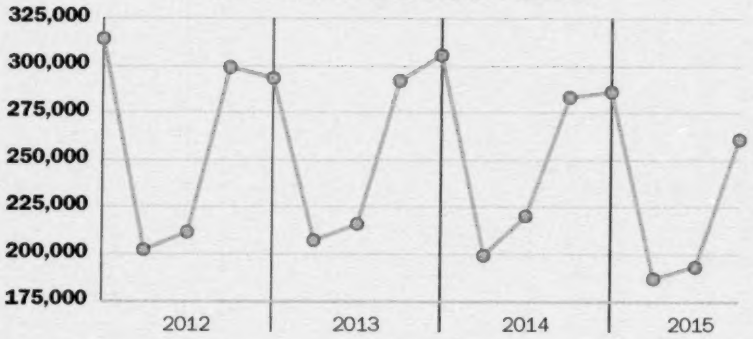
In 2015, the City of St. Albert provided 100,640 hours of public transit, the highest number in the past seven years.

Total Service Hours Per Year



The total number of commuter riders from year-to-year from 2012 to 2015 was 1,026,867; 1,008,152; 1,007,999; and 928,098 riders respectively. 2015 had the lowest commuter ridership per year since 2010. This downward trend in transit commuter ridership can be attributed to a decline in ridership on University routes from St. Albert.

Transit Commuter Ridership per Quarter



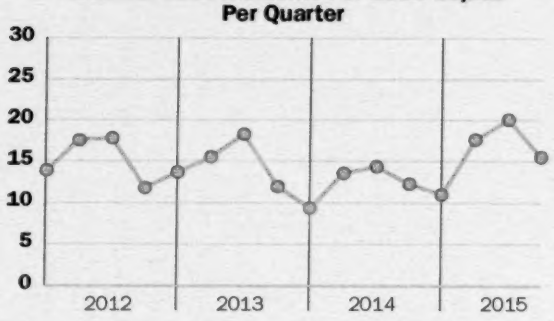
Annual Total	1,026,869	1,008,152	1,007,999	928,098

POLICE SERVICES

Policing Services preserve the peace, protect life and property, and provide safety education to the community. General policing services include investigation, drug enforcement, traffic enforcement, crime prevention and reduction services. Policing services also include photo enforcement, municipal enforcement and 911 operations (call answering and dispatching).

The rate of criminal code incidents went down from 2013 to 2014, from 59.45 to 49.57 incidents per 1,000 residents. Since 2010, there has been a downward trend in the number of criminal code incidents, and 2014 recorded the lowest criminal code incidents per 100 capita since 2010. In 2015 the number of incidents increased to 64.03, possibly due to the economic downturn.

Criminal Code Incidents Per 1000 Capita Per Quarter



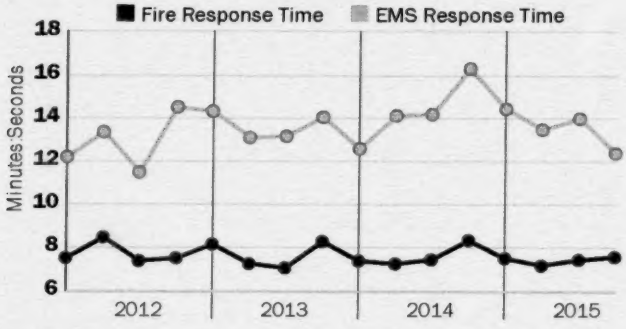
Annual Total	**61.17**	**59.45**	**49.57**	**64.03**

FIRE SERVICES

Fire Services safely and efficiently prevent the loss of life and property. Key programs include fire and medical first-response dispatch, ambulance service and fire protection. Fire protection consists of fire rescue and medical first response, fire prevention and investigation, fire and life safety education, and emergency management and preparedness.

Since 2010, the fire response time has met the standard of responding to calls within 9 minutes for 90% of all calls. The annual 90th percentile fire response time for 2015 was 7 minutes 42 seconds.

Emergency Response Time

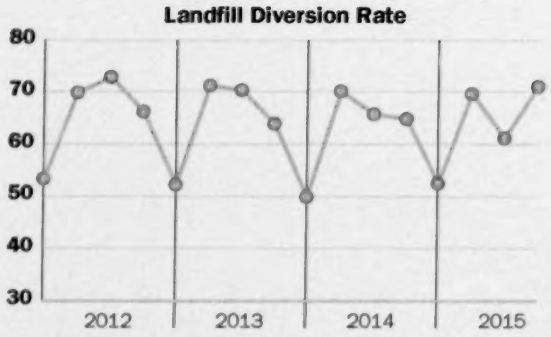


Average EMS	**12.9**	**13.6**	**14.29**	**13.58**
Average Fire	**7.72**	**7.7**	**7.6**	**7.44**

ENVIRONMENT AND SUSTAINABILITY

Environment and Sustainability Services ensure that the City's planning and operations follow all relevant environmental legislation and that plans contribute to the high quality of life in the city. Key services include environmental compliance and monitoring of the City's activities to ensure that these follow all relevant environmental legislation, preventing pollution, minimizing use of natural resources and continuously improving environmental performance. Other services include providing and supporting public educational opportunities and events.

The total landfill waste diversion for 2015 was 63.53%, a slight improvement from 2014 and in line with the City's target rate of 65% by 2020.



Average	65.55	64.37	62.61	63.53

OTHER ADMINISTRATIVE SERVICES

Other administrative services ensure effective and efficient operation of the City in order to provide services to Council and residents of St. Albert. These include:

ASSESSMENT AND TAXATION

The Assessment and Taxation staff provide equitable and accurate assessments to distribute the property taxes appropriately within the community. The key services include the preparation of market value based assessments and levying and collecting annual and supplementary property tax revenue for municipal, education and Sturgeon Foundation tax purposes.

CORPORATE COMMUNICATIONS AND DESIGN

The Corporate Communications and Design staff provide strategic advice, planning and execution of communication strategies to effectively communicate the value of the City's programs, services and initiatives, as well as Council's goals and priorities.

CORPORATE PLANNING

Corporate Planning provides leadership and professional support to Council, the City Manager, the senior leadership team and the Corporation related to effective business management, including strategic, business and operational planning, performance measurement and reporting, continuous improvement and change/transition management.

FINANCIAL SERVICES

The Financial Services staff provide accounting, financial planning, and treasury management of the City through fiscal policy development; development of financial models for utility rates, taxes, user fees, and other sources of revenue; and managing the billing and collection of monthly utilities and miscellaneous accounts receivable.

HUMAN RESOURCES

The Human Resources staff provide proactive leadership and advice in the areas of recruitment, classification and job analysis, organizational design, employee and labour relations, safety and workplace wellness, compensation and employee benefits and training and development.

INFORMATION TECHNOLOGY SERVICES

The City Information Technology staff maintain a coordinated and secure information technology environment that supports and facilitates the achievement of City objectives. Some key services include providing technical support for all City departments, users and information technology infrastructure, and application and database management.

LEGISLATIVE SERVICES

The City Legislative Services staff provide services that support democratic decision-making for Council and the community. The key services include coordinating information to, from and among the City Council, council committees, staff, residents, quasi-judicial boards and task forces; providing advice to the Council and its committees on compliance with governing legislation, and ensuring the continuity, accuracy and consistency of the procedures and documents required to support Council and Council committee decisions. The department also serves as the Elections Office and Census Office. Municipal elections are held every four years and Municipal Census every other year. The municipal cemetery is administered by this department.

LEGAL, RISK MANAGEMENT, INSURANCE AND PURCHASING SERVICES

These City professionals ensure that operational initiatives comply with enabling and other applicable legislation; identify and manage risks, procure insurance for City departments, and process claims against the City by third parties. Purchasing services include advising and assisting City departments with their purchasing requirements and providing mail and duplicating services.

CITY OF ST. ALBERT STRATEGIC PLAN – 2015 ACHIEVEMENTS

In 2015, City Council approved the City of St. Albert Strategic Plan. The strategic plan includes 28 goals and 75 strategies in relation to six community outcomes:

- Cultivate Economic Prosperity
- Cultivate a Historic, Creative and Active Community
- Cultivate a Green Community
- Cultivate Excellence in Government
- Cultivate Sustainable Infrastructure and Services
- Cultivate a Safe, Healthy and Inclusive Community

The following section provides an overview of the progress made in 2015 towards achieving the strategies outlined within the City of St. Albert Strategic Plan.

CULTIVATE ECONOMIC PROSPERITY

A diversified, robust and resilient economic foundation to support growth and community service delivery.

Create an attractive environment to do business in St. Albert that results in a diversified tax base.

Employment Lands

In 2014, Council developed an Employment Lands Plan Framework to ensure the future availability of lands for non-residential uses to promote St. Albert as a desirable place to do business and to help diversify the City's tax base.

Three concepts for employment lands were presented to Council in January 2015. Administration conducted a range of public engagement activities during the first three quarters of the year to solicit residents' and stakeholders' feedback, including an open house in June 2015 with the concepts available for viewing and staff on hand to answer questions. The feedback gathered was presented to Council in September 2015 and used to further refine the three concepts.

During quarter four, Economic Development provided Council an update to the 2011 Future Industrial Lands Requirements Study which re-examined potential uses and market demand for industrial land within the employment lands.

Smart City Master Plan and Alliance

In 2013 and 2014, Council began work to develop St. Albert as a "Smart City Centre of Excellence". To meet the challenges and opportunities of the growing digital society, municipalities around the world are sharing and adopting "Smart City" principles and technologies to improve citizens' lives, boost local economies, and streamline government operations.

In 2015, the Smart City Master Plan Steering Committee, comprised of City residents and officials, continued to gather input from nearly 2,000 stakeholders to finalize the recommendations within St. Albert's Smart City Master Plan. Final sections of the Master Plan will be reviewed, and the content will be graphically designed, prior to Council consideration scheduled for May 2016.

The Alberta Smart City Alliance, founded by the City of St. Albert and IBM Canada, Cisco Systems, the Northern Alberta Institute of Technology and University of Alberta, continues to lead discussions and events to collaborate on Smart City advancement and market development. In October 2015, the Alliance hosted a Smart Communities pre-convention session in collaboration with the Alberta Urban Municipalities Association (AUMA). The session was attended by over 100 municipal elected officials across Alberta. As of quarter four of 2015, the Alliance had grown to more than 235 members and continues to demonstrate positive momentum.

Servicing Requirements for Growth

Joint Infrastructure Servicing

In February 2015, staff from the City of St. Albert and Sturgeon County presented a draft report on joint infrastructure servicing to the Intermunicipal Advisory Committee (IAC), comprising the full Councils of the City of St. Albert and Sturgeon County. The IAC communicates and cooperate on matters of mutual interest to the City and County. The IAC reviewed a revised joint infrastructure servicing report in June 2015 and referred it to the City and County administrations for further work. At its October 2015 meeting, the IAC referred the report to the City of St. Albert and Sturgeon County Councils and requested their feedback by October 2016.

Off-Site Levy Policies

Council approved the updated Off-Site Levy Bylaw at its April 27, 2015 meeting. The bylaw, first enacted in 2010, provides a funding mechanism for infrastructure for utilities and services including water supply, sewage disposal, storm drainage, roads and their underlying lands. This ready source of infrastructure funding facilitates growth, ensures utility and road servicing for new development, and helps the City attract investment.

Feedback from Sturgeon County was sought in quarter two on two policies related to off-site levies: Intermunicipal Utility Infrastructure Excess Capacity policy and a Debt Sharing policy. The Debt Sharing policy was deferred for exploration to quarter one of 2016 and will require substantial consultation with developers and local development stakeholders.

In quarter four, Administration also began working with developers to identify possible funding options for off-site levy infrastructure and is expected to provide recommendations for measures needed to facilitate the front-end funding of growth infrastructure as part of the 2016 Off-Site Levy Annual Report in quarter one 2016.

Encourage a vibrant downtown core.

Shop Local Concept

In summer 2015, GenY CEO, a student group collaborating with the City to increase downtown vitality, sponsored downtown events and activities to attract local and visiting shoppers in support of the City's Shop Local effort. Forty-three percent of the businesses surveyed thought the program increased the number of people downtown, with 14 percent feeling the increased foot traffic led to more sales.

In consultation with the Downtown Advocacy Panel, a group of business leaders acting as a sounding board to the City, a retail symposium will be presented in one-hour workshops rather than a day-long event to accommodate attendees. Economic development has also recruited the Downtown Advocacy Panel to assist with developing the retail component of the Youth Hub.

Angle Parking Pilot Project

During quarter two, input on angle parking shared by downtown business owners, City residents, and visitors informed a report with recommendations presented to Council in September 2015. Council directed Administration to convert angle parking on Perron Street back to parallel parking with the added feature of pavement striping to define each parking space.

Downtown Area Redevelopment Plan (DARP)

The reconfiguration of St. Anne Street is one of the DARP's first implementation projects. The project's objective is to shift St. Anne Street from being a transportation corridor that moves cars through to a destination that invites walking and cycling and encourages the development of businesses.

Project work included construction related to parking areas near St. Anne Promenade and Grandin Medical Clinic and installation of underground power infrastructure for street lighting. Installation of sidewalks from Tache Street to St. Anne Street along St. Anne Promenade, tree planting cells, and storm drainage system elements was delayed and was anticipated for 2016, along with construction of the St. Anne Street roundabout and tie-in to St. Anne Promenade.

Millennium Park, also a DARP element, includes the St. Anne Street Promenade, planned to be an extensively landscaped area that acts as a transition between a future residential area and the Millennium Park square. Construction was completed on the roadway and associated utility structure and parking lots facing the promenade.

Foster business retention and expansion of local businesses.

Business Incubation Strategy

In 2014, the City began work to develop the business incubation strategy, designed to foster business retention and expansion and develop capacity within local businesses. The first meeting of the Incubation Oversight Committee, composed of City staff and stakeholders, was held in November 2014.

The committee was tasked with creating an incubation strategy to attract and retain businesses in the City. An initial draft of the incubation strategy was presented to Council to gather feedback to assist the committee in further refining it. Administration is expected to present an updated strategy in 2016.

Promote current and future tourist attractions and events.

Servus Place

In October 2015, Administration presented to Council the Servus Place Events Analysis. Based on the analysis, Administration will work to ensure that signature annual events are held at Servus Place while ensuring a balance of use between bookings, programs, and events using the same facility spaces. The City will also engage with community sport partners to identify and coordinate local, provincial, and national events with a plan to support bid submissions for nationally profiled events. Finally, the City will support non-traditional events that fit the Major Event Hosting Guiding principles, with priority on booking identified slow-volume periods, and will partner with Culture to provide one entertainment event at Servus Place annually.

CULTIVATE A HISTORIC, CREATIVE AND ACTIVE COMMUNITY

A vibrant and involved community with a variety of culture, recreation and heritage opportunities.

Respond to the needs of a growing community.

Grosvenor Outdoor Pool

The Grosvenor Outdoor Pool Analysis, undertaken in 2015 to explore ways to increase pool usage, was presented to Council in December. Reflecting community input gathered by Administration, Council approved adjusting the pool level of service to accommodate early morning and lane swimming as well as purchasing and installing a slide.

The increased hours adds $22,100 to the pool's 2017 Grosvenor Pool operating budget. The slide represents a $10,000 expenditure from the capital budget.

New Facility Prioritization Assessment Model (NFPAM)

The New Facility Prioritization Assessment Model is a tool designed to help the City predict the future need for new municipal facilities. It uses analytics and existing service level choices to predict future infrastructure requirements. Council was presented the model in 2015 and directed Administration to develop recommendations on the model's usage, which was initially for recreation facilities only, and to conduct public engagement. Council expanded the model to include all City facilities and approved the public engagement plan.

Staff gathered public input via one-on-one meetings, focus groups, phone and online surveys. The key objective of obtaining community input was to reality-check the decision guidance created by the model.

A report on the model and the community consultation process was made to Council in October 2015. Work in 2016 is anticipated to include incorporating the model into a Council Policy and into 2017-2026 capital project planning and budgeting.

Civic space needs

Administration began a detailed study of future space needs for full-time City employees. The study's final recommendations to Council is forthcoming in 2016. Council approved an alternative approach proposed by Administration to meeting the City's long-term civic space needs slated to be further explored in 2016.

Partner with the Arts and Heritage Foundation to encourage the retention and preservation of unique physical heritage assets.

Historic Sites Restoration

- **Juneau House**
  The Juneau House restoration kicked off with the completion of a condition assessment of the site and building and a development of a conservation and restoration strategy. The restoration was planned to return the house, built in the 1880s, to its original appearance and will include replacing, reinforcing or restoring major structural supports, walls, roof and windows and installing amenities to make the house barrier-free to visitors. Construction began in quarter three and was largely complete by quarter four, with interior and landscaping work to continue into 2016.
- **Hogan and Cunningham Houses**
  The foundations of the Hogan and Cunningham houses were replaced and exterior restoration began. Exterior work continued and interior work started in quarter four, with anticipated completion in 2016.
- **Chevigny House, Brosseau Granary and Storage Quonset**
  These heritage buildings were relocated to a staging area while areas suitable for permanent foundations were established. Construction is expected to be completed in 2016.

- **Implementation of Lacombe Park West Master Plan**
  The Parks Master Plan for Lacombe Park West was completed in 2014 and called for two phases of improvement: Phase 1 to redevelop Lafleur and Leveque Parks and Phase 2 to install playground and fitness equipment at City parks. In 2015, significant work took place at Leveque and Lafleur Parks with completion projected for 2016. Work on Phase II of the Master Plan is projected to begin in 2018.

Nuture St. Albert's future cultural leaders, artists, volunteers and audiences.

Cultural Wall of Fame

The Cultural Wall of Fame recognizes the outstanding achievements of St. Albert residents in the field of arts and culture who have demonstrated mastery of their craft and distinguished themselves and their community. In September 2015, a sculpture entitled "The Gathering" by Kyle Watson, which embodies the Wall of Fame, was unveiled. It will display the names of all past and future Wall of Fame inductees, who are the annual recipients of the Lifetime Achievement Award at the Mayor's Celebration of the Arts. The next inductee will be named at the next Mayor's Celebration in March 2016.

Founders' Walk Phase Two

The Healing Garden is a community project led by a planning committee composed of survivors of Indian Residential Schools, representatives from the First Nations and Métis communities, the United Church, the Catholic Church, the general community and the City of St. Albert.

Public engagement for the project was conducted and design was nearly complete. A site was selected and blessing ceremony performed for the Healing Garden, which will commemorate the survivors of Indian Residential Schools in St. Albert. Designs were completed and construction commenced in 2015, slated to continue into 2016.

Riel Amenities Building

The Riel Park Master Plan approved by Council included construction of a new amenities building adjacent to the Park's artificial turf field. This amenities building will open up opportunities that cannot be accommodated at the present time including: the additional dressing rooms that will allow for back-to-back games by field users; possibility to host specialty development camps, spring leagues, zone/region/provincial championship games and special events; opportunity for local sport teams to play more games at home therefore decreasing travel time and expenses. In 2015, detailed design was completed and construction is expected to be underway in 2016.

Ensure that all residents are able to access a broad spectrum of recreational activities.

Lois Hole Provincial Park

Provincial funding for access improvements to Lois Hole Centennial Provincial Park was secured, including a left-hand merge lane to the parking lot from Ray Gibbon Drive, a right-hand turn bay, and improvements to wayfinding signage. Construction began in 2015 and will be completed in 2016.

CULTIVATE A GREEN COMMUNITY

A healthy natural environment for future generations that preserves and promotes enjoyment, conservation and responsible development.

Protect and maintain the Sturgeon River Watershed.

Sturgeon River Watershed

The Sturgeon River Watershed Alliance (SRWA) Steering Committee met in April, June and September 2015 to be updated on the Technical Advisory Committee (TAC) work plan and participate in information sessions. The Steering Committee is expected to address the Provincial Land Use Framework and Capital Region Growth Plan in early 2016.

The SRWA Technical Advisory Committee met regularly in 2015 and furthered work on water quantity and water quality research projects. Grant funding from the Community Partnership Grant Fund was not forthcoming for a natural areas assessment but the SRWA received $57,000 from the Environmental Damages Fund to complete the water quality project.

In partnership with the North Saskatchewan Watershed Alliance, the SRWA held a Sturgeon River Watershed Forum in September, featuring presentations from Alberta Environment and Parks on new wetland policy guidelines from Ducks Unlimited on the benefits of wetlands, and an update on the Alberta Land Use Framework.

The City will be a leader in environmental stewardship.

Water Conservation Bylaw

In early 2015, Council directed Administration to develop a Water Conservation Bylaw focusing on low-flow fixtures for new development and renovations and restrictions for outdoor daytime sprinkler use. The bylaw's goal is to promote efficient use of water in the community and curb water waste, which will reduce the need for maintenance and upgrades to water and wastewater infrastructure.

Public engagement was completed to gauge public support and concerns. Results were presented to Council and in December the bylaw was passed. It will come into effect in 2018 after Administration conducts a public education to inform the community on water conservation and the details of the bylaw in 2017.

Contaminated Sites

In 2014, Council directed funding to investigate six City-owned properties for possible environmental contamination. The investigations revealed that environmental contamination in excess of the provincial standards exist at four of the sites (Public Works Yard at 7 Chevigny St, Compost and Temporary Snow Storage Site on Villeneuve Road, Public Works Satellite Yard South on 17 Riel Drive, Former Snow Storage Site on the Grey Nuns White Spruce Park). These findings indicated the need for additional investigation to determine liability estimates and to meet requirements of the Province of Alberta's Contaminated Sites Policy Framework.

In 2015, additional investigations aimed at refining the liability estimates were conducted on the four sites. Annual water quality monitoring will continue at the remediated former landfill at Riel Park for a minimum of 25 years or until contaminants of concern meet the applicable environmental guidelines.

Reduce solid waste generation.

Organic waste collection

Administration conducted required background work for organic waste collection to begin at select City facilities by early 2016. Seven area schools began collecting organic waste in 2015.

Preserve and manage trees, parks and natural areas.

Natural Areas Assessment

Work began on a Natural Areas Assessment to provide a foundation for management of the City's natural areas and prioritize natural areas for preservation. Two study areas were identified: city limits and city limits with a three-kilometre buffer area, with detailed study of Carrot Creek and floodplain areas along the Sturgeon River and Big Lake. The assessment report included the status of existing protected and unprotected natural areas, detailed natural areas information for developing areas of the City, and management guidelines and recommended policy updates.

Reduce the release of pollutants into the air, land and water.

Air Quality Monitoring Station

In 2011, an assessment of the regional air quality monitoring system, undertaken by the Alberta Capital Airshed (ACA), identified St. Albert as a priority location for an ambient air quality monitoring station. An air monitoring station is also called for in the City's Environmental Master Plan as an important means of monitoring the community's environmental health. The station was installed in Salisbury Park and the City is planning an official opening of the station on Clean Air Day in June 2016.

The new station will be operated by the Alberta Environmental Monitoring, Evaluation and Reporting Agency and its data will add to the extensive air quality monitoring network already in operation in the Capital Region.

Greenhouse Gas Local Action Plan

Work on the Greenhouse Gas Local Action Plan in 2015 focused on energy measurement and benchmarking for major City facilities in 2015. An energy and water conservation audit of 11 major City facilities was initiated in May and completed in 2015 with a final report expected in early 2016. The report will provide information to propose a facility energy and water conservation retrofit capital charter for consideration in the 2017-2020 budget.

CULTIVATE EXCELLENCE IN GOVERNMENT

A responsive, accountable government that delivers value to the community.

Strive to become a leader in analytics to enhance decision making.

Continuous Improvement Program

Administration continued work on the Continuous Improvement Review Program and made significant progress on projects as described below:

- **Development Application Process Review.** A final report was presented to Council in March 2015. Planning and Engineering was identified as the lead to prepare an Action Plan to address report recommendations moving forward.
- **Public Communication, Consultation and Engagement.** Administration developed a Public Communication, Consultation and Engagement Council Policy, which was presented to Council in October 26, 2015. Council decided to create a committee with resident members to undertake public engagement to gather residents' input into the policy. That work is slated for 2016 with the expectation that recommendations of amendments to the policy be presented to Council later in 2016.
- **Service Levels Benchmarking.** A service levels benchmarking update was presented to Council in March 2015, followed by the benchmarking report and a draft external services inventory in September 2015. Documenting internal and external services and associated service level standards took place throughout most of 2015. An overall services delivery plan is anticipated for 2016.

City Performance Measurement Policy

Extensive research and interviews were conducted in 2015 to develop a model for the City that informs alignment and measurement of the City of St. Albert Strategic Framework. The final report was presented to the City's Senior Leadership Team which detailed eight recommendations and 20 projects of varying scope and magnitude to be implemented over a five-year period.

Open Data

The City officially moved forward with its Open Data effort, which would make City data easily available to the public at no cost through electronic formats. The City has coordinated with the City of Edmonton, the County of Strathcona, the Capital Region Board, and other regional entities to determine best practices and identify areas of future cooperation. The City of St. Albert's open data program is on track for a soft launch in 2016/2017.

Engage the community to incorporate resident input and improve decision making.

Community Sustainability

In June, Council approved the Vision and Pillars of Sustainability as presented by the Community Sustainability Committee, composed of City residents and Council members. These steps complete a process begun in 2013 to create a foundation for the City's long-term planning requirements.

An implementation plan for incorporating the Vision and Pillars of Sustainability into Council Policy and the Municipal Development Plan was presented to Council in September 2015. A Council Policy for the Community Sustainability Framework is anticipated to be brought to Council in 2016.

Maintain the City of St. Albert as an employer of choice.

Inclusive Hiring Strategy

Council approved the Inclusive Hiring Strategy as a key step in implementing the City's Inclusive Hiring Policy adopted in 2014. The strategy was informed by City of Edmonton practices, agencies supporting those with disabilities, and input from the Canadian Centre for Diversity and Inclusion.

Compensation Strategy

A business case for a total compensation strategy that reflects the City's corporate values, economic realities, and growth strategy along with industry was approved for 2016. Administration will establish key considerations for designing and managing the compensation strategy, evaluating the City's market position, explore a range of compensation options, and assess compensation methodologies.

Develop strong working relationships with regional, provincial and federal partners.

Government Relations Program

The workplan supplementing the Advocacy Strategy Plan approved by Council in 2014 was approved in January 2015. Work on each of the advocacy initiatives took place throughout 2015 via outreach to regional officials and community members.

Council reviewed the workplan in August 2015 and revised its prioritization of advocacy strategies. Key priorities include: the Campbell Road Transit Centre and Park and Ride land; Light Rail Transit (LRT) Extension; creation of a Provincial Public Transit Policy; funding support for the regional "smart fare" implementation; twinning of Ray Gibbon Drive and extension to Highway 2; funding for the Sturgeon River Watershed Alliance; the completion of a full review of the Municipal Government Act (MGA) with consideration of the submission made by the City of St. Albert; affordable and seniors housing; ambulance wait times; funding for Family & Community Social Services and a Parent Link Centre; Local Authorities Election Act matters; waste management provincial policy; building and strengthening relationships with the Government of Alberta.

An update strategy is expected to be provided to Council in early 2016.

St. Albert/Sturgeon County Intermunicipal Affairs Committee (IAC)

A draft of the St. Albert-Sturgeon County Joint Infrastructure Review was presented to the Intermunicipal Affairs Committee, comprising Council members of both municipalities, in February 2015. The review is a conceptual document projecting 80 years into the future that is intended to guide future joint infrastructure projects between the municipalities.

Open Payment Fare System Project (Smart Card)

In September, the Province announced funding approval for GreenTRIP funding to support the purchase of four electric buses ($2.1 million) in St. Albert as well as the development of regional smart fare technology ($28 million) that will eventually eliminate the need for public transit riders in the Capital Region to carry cash. The bus purchase is targeted for 2016 while smart fare is envisioned for implementation in 2017.

CULTIVATE SUSTAINABLE INFRASTRUCTURE AND SERVICES

A growing community that has balanced development and management of civic facilities, transportation networks and related services.

Encourage innovative and progressive development.

Train Whistle Cessation

In October 2015, Council directed that a bylaw be brought forward for Council consideration in 2016 that would eliminate the need for mandatory sounding of train whistles within St. Albert once required crossing upgrades are complete. Work toward upgrading several crossings and soliciting approval from Transport Canada for whistle cessation continued throughout 2015.

Capital Partnership Program

Council decided to cancel the program as of June 30, 2015. Two projects remain active: the Community Performing Arts Centre, which has advanced to the detailed business plan stage, and the Dynamyx New Building Project, for which a modified preliminary business plan was resubmitted and will be considered in quarter one 2016.

Maintain a safe and efficient transportation network.

Campbell Road Transit Centre and Park and Ride Land Agreement

Administration was coordinating with the City of Edmonton and the Province of Alberta on purchase of land for the Park and Ride Transit Centre. Council directed Administration to purchase the lands at market value. Discussion with the Province to purchase the property was initiated and a draft agreement was in development.

Transportation Network

In November, Council approved a potential future Light Rail Transit (LRT) functional alignment along St. Albert Trail, identified as the best available option in the LRT Functional Alignment Study. The line would extend the City of Edmonton's Metro LRT line from its proposed terminus at the Campbell Road Transit Centre and Park and Ride into and through the City of St. Albert. The decision on whether or when LRT will be constructed in St. Albert will take place in future years, but establishing the alignment was necessary in order to preserve it.

St. Albert Trail Pedestrian Sidewalk Upgrades

Sidewalk construction was completed along St. Albert Trail from McKenney Avenue to Lennox Drive and a portion of Gate Avenue connecting St. Albert Trail to the Village Tree Transit Station.

St. Albert Trail Corridor and Boudreau/ Giroux Road Safety Review

The final report to address safety concerns at this intersection was completed and presented to Council in August 2015. An implementation strategy to address recommendations was created and a Project Charter will be brought forward for 2017.

Capital Region Board (CRB) Transit Governance Review

A work plan to form a single operating entity with Edmonton to create a regional transit system was approved by Edmonton and St. Albert City Councils along with funding for a study. A report with a recommendation on the proposed integration is anticipated to be presented to the St. Albert and Edmonton Councils in June 2016.

Transportation Master Plan

Public consultation was completed on the Villeneuve Road Study and the road's alignment and function was approved. Public engagement on the overall Transportation Master Plan was conducted and a report was submitted to Council in December for review, with approval of the plan expected in 2016.

Improve existing community assets and services.

Baseball Diamonds Safety Fencing

In November 2015, Council directed the following actions for 2016: using the safety fencing standard, complete work after the 2016 baseball season on the 13 top-ranked ball diamonds; assess need and cost for safety fencing on the remaining diamonds with funding for needing fencing to be allocated in the 2017–2019 capital budget; and coordinate with the St. Albert Public School District and Greater St. Albert School District on fencing installation for ball diamonds on school properties.

North Interceptor Sanitary Trunk Line Phase 3

Geotechnical work to support choosing an alignment and preliminary design work were conducted in 2015. Construction is planned to begin in late 2016.

Sports Field Refurbishment Program

Throughout much of 2015 Administration worked to evaluate the City's Sports Field Refurbishment Program, which will determine the number of fields to be refurbished and by what method.

The "refresh" program was piloted for the Lorne Akins Field and results will be evaluated in 2016.

CULTIVATE A SAFE, HEALTHY AND INCLUSIVE COMMUNITY

A community that provides opportunities for everyone to realize their potential in a thinking, caring and connected way.

Encourage the development of a connected community that is friendly for all ages.

50+ Club Building

The 50+ Club rehabilitation and expansion project got underway in 2015 and the Club is expected to reopen in Fall 2016 under a new name.

Social Master Plan: Community Plans and Social Policies

In January 2015 the Social Development Policy was approved and a three-year Youth Action Plan and Neighbourhood Connectivity Plan were presented to Council. The 2015 Social Master Plan implementation and communication plan were updated and initiatives are underway. In September, Council approved the Youth Development Policy.

Youth Hub

A new location for the Youth Hub, a site for "one-stop shopping" for community members to connect with youth services was secured in the downtown area. Renovations got underway and it is anticipated the Hub will open early 2016.

Mental Health Awareness Event

In collaboration with the St. Albert Community Foundation, the Youth Mental Health Awareness event to increase awareness of mental health was held in September 2015. Over 400 people attended.

A "Your Life Matters" education and awareness campaign was launched in response to community concerns around stress over depression, job loss, financial challenges, and other issues. Public awareness and education postcards and posters were widely distributed through community facilities and resources, and mental health awareness postings were made to social media.

Social Master Plan Initiatives

In early 2015, the City began identifying community resources to help develop its Community-Wide Bullying Strategy, including existing work done on and available grant funding for diversity and inclusion. An implementation plan for the strategy was anticipated for 2016.

The City also laid groundwork in 2015 for a Poverty Reduction Strategy to identify and address the barriers that exist in achieving financial sustainability within the St. Albert community, working to develop a supporting coalition and gather knowledge and resources at the national, provincial and local levels.

Ensure all residents live in a safe community.

City's Emergency Plans

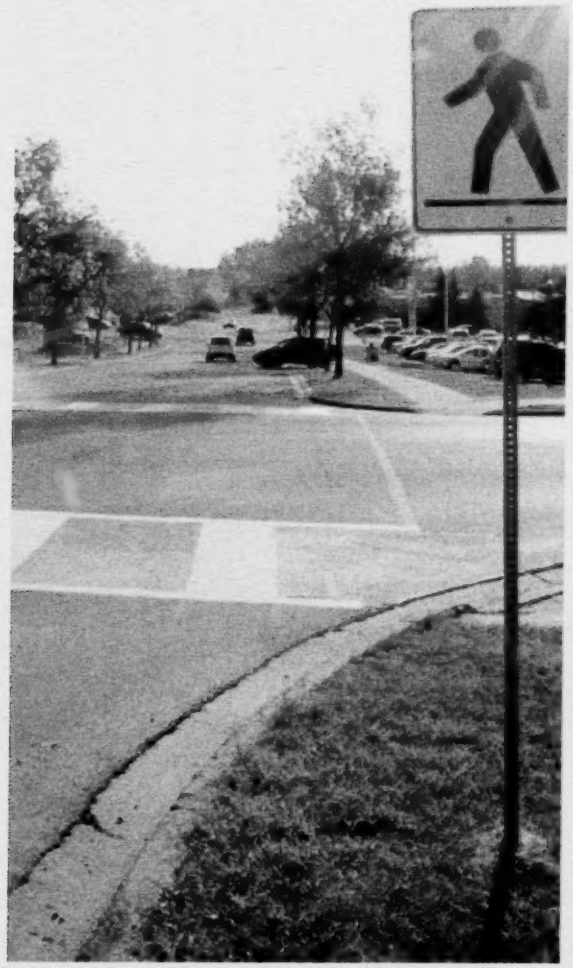
In 2015, the revised Emergency Response Plan was largely completed with a roll out planned for early 2016. Over half of Emergency Operations Centre staff completed a new Incident Command/EOC training, the City's hazard, risk and vulnerability assessment was revised, and elected officials had completed emergency response-related training.

The Emergency Management Bylaw was reviewed so that the Emergency Response Plan can be moved forward. Four "tabletop" exercises had been conducted. A 72-hour emergency planning guide was made available to the community and a companion quick action guide was drafted. The third annual Public Safety Open House took place in June.

The City partnered with NorQuest College to create a community resilience training program, developed a letter of understanding for Alliance Church as an alternate reception centre location, updated the Emergency Response Plan contact list, and addressed Emergency Operations Centre and training needs.

Safe Journeys to School Action Plan

In June 2015, Council considered the Safe Journeys to School Action Plan, which identifies multiple capital projects to enhance pedestrian and traffic safety around schools. Council directed Administration to prepare capital charters for the 2016 budget year related to traffic signals, road markings, signage, road analysis, safety campaigns, pedestrian crossing enhancements and school zone traffic calming. The proposed actions will be prioritized and completed over a seven-year period. Council also directed Administration to prepare policies, design principles and technical standards to support the objectives outlined within the Plan and bring forward for Council's approval any necessary or related bylaw provisions.



FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

The City of St. Albert's 2015 Annual Report provides an opportunity for the City to communicate with residents and stakeholders regarding its recent financial performance, including significant financial practices, strategies, and events.

The Annual Report includes the City's consolidated financial statements, prepared by management in accordance with the principles and standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). Management has made every effort to ensure the financial statements present a fair accounting of the City's consolidated operating and capital activities for the fiscal year ended December 31, 2015. Included entities are the City, its Utilities, the St. Albert Public Library, and the Arts and Heritage Foundation of St. Albert.

The City's auditor, Deloitte, has audited the financial statements and provided the accompanying Auditor's Report. The financial statements and auditor's report satisfy a legislative reporting requirement as set out by the Alberta Municipal Government Act.

This Financial Statement Discussion and Analysis (FSD&A) reports on how the financial resources entrusted to the City are being managed to provide municipal infrastructure, programs, and services. The FSD&A explains the significant differences in the financial statements between the reported year and the previous year as well as between budgeted and actual results. The FSD&A also identifies trends, risks and anticipated events that could have financial implications on the operations of the City.

The FSD&A should be read in conjunction with the audited financial statements and accompanying notes, and responsibility for the preparation of both the financial statements and the FSD&A rests with the City's management. The City's 2015 Consolidated Financial Statements include:

- **Consolidated Statement of Financial Position:**
  This statement is a summary of financial assets and financial liabilities, net assets (debt), non-financial assets, and accumulated surplus as at December 31st. The statement is used to evaluate the City's ability to finance its activities and to meet its liabilities and commitments.

- **Consolidated Statement of Operations and Accumulated Surplus:**
  This statement outlines revenues and expenses, in total describing the net change to accumulated surplus for the year.
- **Consolidated Statement of Changes in Net Assets:**
  This statement reports changes in future revenue requirements. The annual surplus is provided, with reversals for tangible capital asset acquisitions, disposals, amortizations, and sales. The change in net assets (debt) is an indicator of whether revenues raised in the year were sufficient to cover current year spending.
- **Consolidated Statement of Cash Flows:**
  This statement is a summary of how the City's cash and cash equivalents position changed during the year, highlighting activities related to operating, capital, investing, and financing.

FINANCIAL HIGHLIGHTS

Overall, the City's financial position has continued to improve as at December 31, 2015. This positive result was the product of a number of factors reflected within the financial statements, including:

- The Consolidated Statement of Financial Position reports an increase in accumulated surplus of $57.8 million to $947.1 million at December 31, 2015. Financial assets increased by $18.7 million to $171.1 million while financial liabilities decreased by $17.3 million to $101.5 million, as the City increased infrastructure investment using developer levies, government transfers, reserves and taxes. Non-financial assets increased by $21.8 million to $877.4 million as a result of increased investment in tangible capital assets.
- The Consolidated Statement of Operations and Accumulated Surplus reports a 2015 Annual Surplus of $57.8 million. This was the result of consolidated revenues of $204.6 million and consolidated expenses of $159.9 million. Overall revenue increased by $23.0 million compared to the prior year results, primarily due to higher sales and user fees, and developer contributions and levies relative to 2014. Property taxes increased by $5.5 million from 2014 to 2015. Overall expenses increased by $7.8 million compared to the prior year results, largely due to higher general government services and inflationary increases in all expense categories.
- The Consolidated Statement of Cash Flows reports a year-over-year increase of $9.7 million in the City's cash and cash equivalents position, to $37.4 million. This is primarily the result of lower net difference between cash from operations and investments in financial and non-financial assets relative to 2014.

SIGNIFICANT VARIANCES OR EVENTS

BUDGET VARIANCES

While the City was able to implement its business plans and budgets essentially as expected, the City's financial statements were affected by some unexpected events during the year. These events resulted in variances, both favourable and unfavourable, in relation to the City's initial operating budget expectations.

Significant unfavourable variances included a decrease in revenue from government transfers ($1.6 million), an increase in transportation and roadway services expenses ($10.6 million), an increase in utility services expenses ($4.5 million) and an increase in recreation and parks expenses ($3.1 million). These were offset by significant favourable variances related to revenue received from developer contributions and levies ($14.3 million) and a decrease in general government services expenses ($3.3 million). The combined variances produced an operating budget surplus of approximately $5.3 million. Of that total, $1.0 million was transferred to the Municipal Land and Facilities Reserve, $1.6 million was transferred to the Stabilization reserve, $2.5 million was transferred to the Capital Funding Reserve, and the remaining $0.2 million was transferred to operating reserves.

PRIOR YEAR VARIANCES

The City's Cash and Cash Equivalents position experienced an increase of $9.7 million in 2015 primarily due to a lower net difference between cash from operations and investments in financial and non-financial assets relative to 2014:

- A repayment of $3.8 million in long-term debt. This resulted in an improved debt position of $45.5 million from $49.3 million.
- A $21.5 million increase in the value of the City's tangible capital assets, to $875.9 million. These tangible capital assets typically take the form of municipal infrastructure, including civic facilities, roadways, equipment, etc., and are critical to the City's ongoing ability to support overall quality of life in the community.

A $32.3 million increase in the City's reserve balance (i.e., restricted accumulated surplus), to $116.2 million. The City's reserves are held for both operating and capital purposes, and are segmented by entity, type, and intended use, and are required in accordance with detailed future modeling and replacement plans.

FINANCIAL REVIEW

FINANCIAL ASSETS

The Consolidated Statement of Financial Position summarizes the City's financial asset position as at December 31, 2015. The City's financial assets increased in 2015 by $18.7 million to $171.1 million due mainly to an increase in cash and cash equivalents, and financial investments.

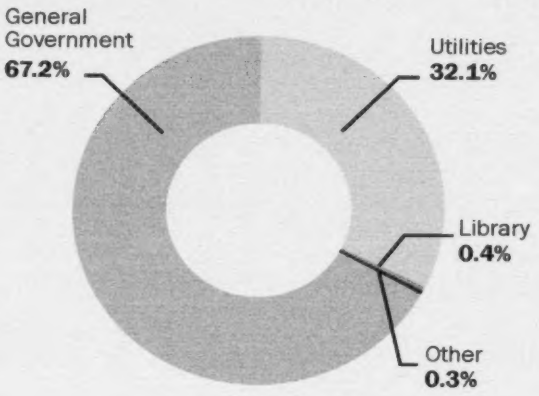
These results reflect the City's continued stable financial asset position, and continued application of its Cash Management and Investment Policies. The City maintains a sufficient amount of resources that could be converted to cash if necessary, as well as assets available to address current and future liabilities or commitments.

The City's accumulated surplus of $947.1 million is the product of the minor general surpluses or deficits in each of the City's entities over the years, plus significant amounts restricted as reserves or invested in tangible capital assets.

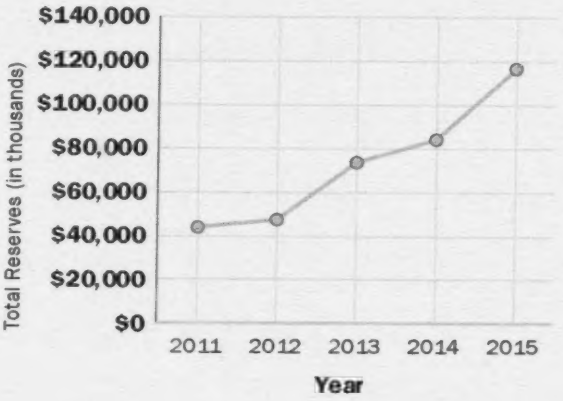
The City's reserve balance increased by $32.3 million over prior year results. Schedule 1 to the consolidated financial statements provides details relating to the $116.2 million reserve balance. Reserves are an important tool used by municipalities to set aside funds to replace existing capital assets, respond to emergent needs, and fund future capital projects. High reserves can contribute to a municipality's fiscal health, but reserve balances may increase for a time and then decrease significantly to address planned capital requirements. Historically, the City of St. Albert has taken a rather conservative approach to reserve accumulation. The City's reserves are held for both operating and capital purposes and are segmented by entity, type, and intended use.

In order to improve the accountability, planning and management of its reserves, the City has established a Reserve Policy C-FS-01. This policy and the related administrative processes support accountability, transparency, clear monitoring and reporting, long-term fiscal planning, and improved cash management by identifying cash flows which will assist in potential longer-term investment opportunities and internal financing capacity. Initial establishments of reserves, as well as transfers to and from reserves, requires the approval of City Council.

2015 Operating and Capital Reserves By Type



Reserve Balance Trend



FINANCIAL LIABILITIES

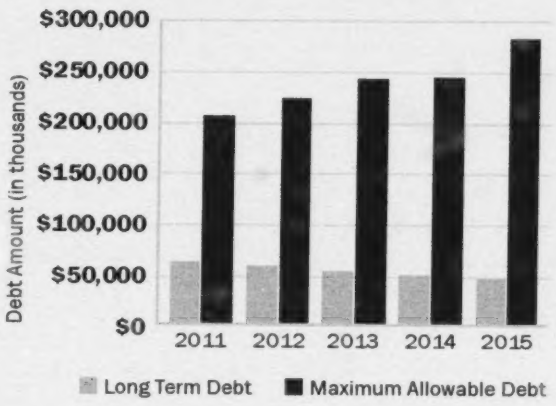
The Consolidated Statement of Financial Position summarizes the City's financial liability position as at December 31, 2015. The City's total financial liabilities of $101.5 million decreased by $17.3 million compared to prior year results, primarily due to a decrease in deferred revenue from developer levies and government transfers.

The City's repayment of $3.8 million in long-term debt improved its debt position to $45.5 million from $49.3 million. Other financial liabilities include accounts payable and accrued liabilities of $17.3 million, which have increased by $1.3 million from $16.0 million in 2014. Deferred revenue totalling $36.8 million decreased by $14.6 million from $51.4 million in 2014. Use of these deferred revenues remains restricted until the timing or conditions associated with the revenue have been satisfied.

The majority of the City's existing long-term debt relates to two projects approved in 2004 – the first stages of Ray Gibbon Drive and the construction of Servus Credit Union Place. These two projects alone, due to their significance, resulted in two 20-year external borrowings that increased the City's debt by approximately $22 million and $38 million, respectively. While the debt requirements for the two major projects were significant, the City will remain significantly below debt limits established by the Province of Alberta and the stricter limits the City has established for itself through its Debt Management Policy C-FS-03. As borrowings are retired over the next 13 years the City's debt position will continue to improve, provided no additional debt is taken on.

The City's Debt Management Policy C-FS-03 is used to manage borrowing capacity for future capital assets, maintain maximum flexibility of current operating funds, and limit the impact that debt charges will have on future tax and utility rates through internal limits on borrowing. All borrowing completed by the City has been in the form of debentures through the Alberta Capital Finance Authority. These borrowings leverage the Province of Alberta's strong debt rating and the combined borrowings of other municipalities and education authorities. Interest rates are established at the time of borrowing and remain constant throughout its term, eliminating the risk associated with rate fluctuations. Debt servicing payments are made annually or semi-annually.

Long Term Debt vs. Debt Capacity

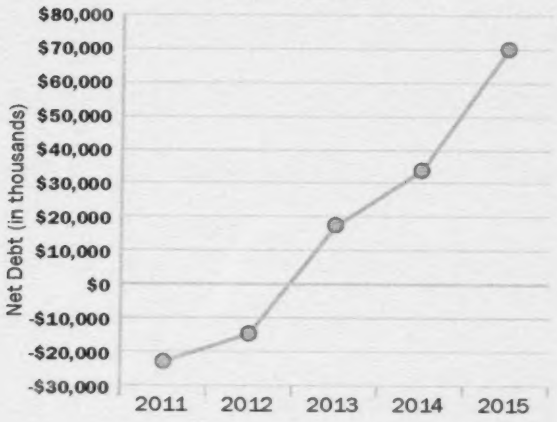


NET FINANCIAL ASSETS (DEBT)

A government's net financial assets (debt) position is a function of its total financial liabilities and its total financial assets. This calculation is a key financial indicator related to the City's financial position as it reflects the relationship between annual surplus, tangible capital asset acquisitions/disposals/ amortizations, and treatment of other inventories or expenses. The Consolidated Statement of Changes in Net Assets summarizes the City's net financial assets (debt) position, which increased by $36.0 million to $69.7 million due to the increase in financial assets being larger than the increase in financial liabilities.

Although debt can serve a useful purpose, a growing net asset position is a positive sign for the City's fiscal health and allows more financial resources to be directed to operations and capital projects as opposed to servicing the interest on borrowings.

Net Debt Position



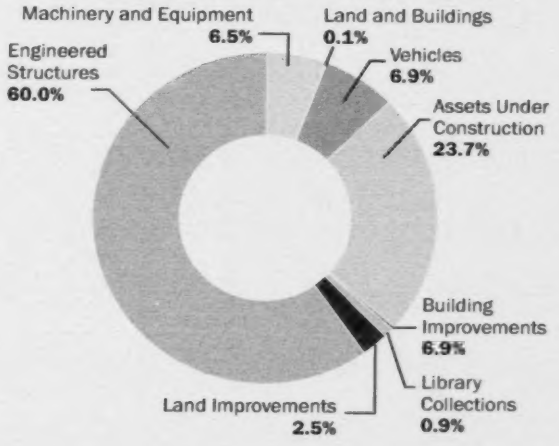
NON-FINANCIAL ASSETS

Non-financial assets, summarized on the Consolidated Statement of Financial Position, include tangible capital assets, inventories of materials and supplies, and prepaid expenses. In 2015, the value of the City's non-financial assets increased by $21.8 million to $877.4 million. The majority of this increase related to an increase in tangible capital assets of $21.5 million, to $875.9 million. Tangible capital assets typically take the form of municipal infrastructure, including civic facilities, roadways, equipment, etc. These assets provide significant value to the community, as they directly impact a community's productivity, level of investment, and overall quality of life.

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less estimated salvage value, of the tangible capital assets is amortized on a straight-line basis over the assets' estimated useful lives, ranging from 5 to 75 years.

The City's investments in capital infrastructure are in accordance with its approved Capital Budget and 10 Year Capital Plan. City Council approves budgets for each capital project based on the maximum forecast expenditure for the year to accommodate the associated planning and scheduling requirements. There is typically a portion of the year's budget carried forward to future years for projects not completed

2015 Tangible Capital Asset Acquisitions

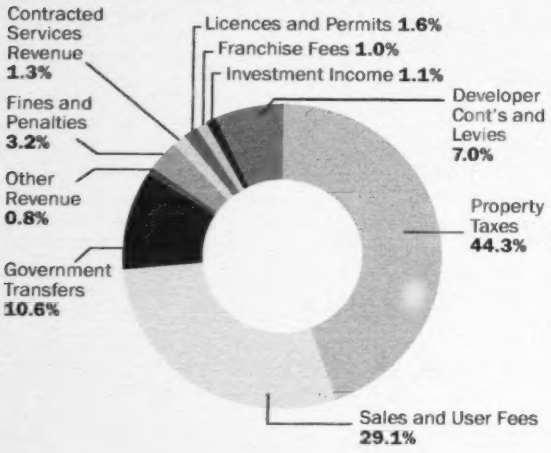


within the fiscal year, and as a result budgets are not directly comparable with current year actual amounts.

In 2015, capital spending was primarily focused on land and buildings, and engineered structures. Tangible capital asset acquisitions totaled $43.9 million. Disposals totaled $0.8 million net of depreciation and amortization and there were no tangible capital asset write-downs in 2015. The City plans to continue to maintain its commitment to infrastructure maintenance and upgrades over time, as a means to address the elements within its 10 Year Capital Plan.

REVENUES

2015 Revenue by Object



The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's revenues. Consolidated City revenues of $204.6 million were $18.6 million higher than budgeted amounts for 2015, mainly due to higher than expected developer contributions and levies, sales and user fees, and fines and penalties. Other revenue sources performed largely as budgeted although government transfers were $1.6 million less than budget at $21.7 million. Overall, some of the City's revenues fluctuate with economic conditions, yet its main sources of revenue (property taxation, sales and user fees, and government transfers) are considered relatively stable.

Property Taxation revenue of $90.7 million was in line with budget estimates. This figure was moderately higher than 2014 ($85.2 million) as a result of a general municipal property tax increase. The City's budgeted residential tax increase for 2015 was 2.8 per cent and property taxation for municipal purposes comprised 44.3 per cent of its total revenues in 2015.

Sales and User Fees of $59.6 million were $1.9 million higher than budget estimates. This figure was higher than 2014 ($52.7 million) as a result of an overall increase that was applied to the majority of user fees charged by the City. The City continues to apply a user pay philosophy in its operations, as per its policy-based fee approach. The City relied on sales and user fees for 29.1 per cent of its total revenues in 2015.

Government Transfers of $21.7 million were $1.6 million less than budgeted. This is primarily related to budgeted grants that were not received during the 2015 period. The City relied on government transfers for 10.6 per cent of its total revenues in 2015.

Developer Contributions and Levies of $14.3 million were received in 2015. The City does not budget for this type of revenue. This figure was significantly higher than 2014 ($3.1 million) as more levies from completed development projects were taken into income.

Other Revenues of $1.6 million were $0.8 million higher than budget. This figure was lower than 2014 ($2.0 million).

Fines and Penalties of $6.6 million were $2.5 million higher than budgeted. This figure was also higher than 2014 ($4.3 million).

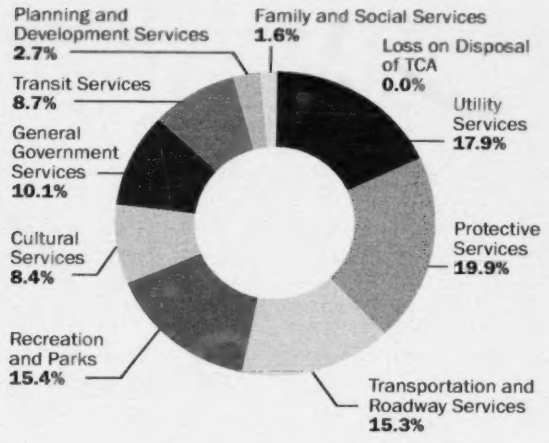
Licences and Permits of $3.2 million were $0.6 million higher than budgeted. This figure was slightly higher than 2014 ($2.9 million). This category is highly sensitive to economic conditions.

Franchise Fees of $2.0 million was on budget. This amount was also slightly higher than 2014 ($1.9 million).

Investment Income of $2.4 million was on budget. This figure was slightly higher than 2014 ($2.2 million) as a result of more money being invested and the ongoing benefit of a more diversified portfolio.

EXPENSES

2015 Expenses by Function


Planning and Development Services 2.7%
Family and Social Services 1.6%
Loss on Disposal of TCA 0.0%
Transit Services 8.7%
Utility Services 17.9%
General Government Services 10.1%
Protective Services 19.9%
Cultural Services 8.4%
Recreation and Parks 15.4%
Transportation and Roadway Services 15.3%

The Consolidated Statement of Operations and Accumulated Surplus summarizes the City's expenses. Consolidated expenses of $159.9 million were $18.8 million higher than budgeted amounts for 2015, mainly as a result of two City practices. First, the City does not budget for amortization costs ($21.6 million). Amortization costs were particularly pronounced in the areas of recreation and parks, utility services, and transportation and roadway services. In addition, the City budgets for debenture interest and the utility administration fee corporately while applying actual expenses to individual program areas. Each of these policies will often lead to budget variances at the end of the year.

Protective Services expenses of $31.9 million were $0.5 million lower than budgeted for 2015 ($31.4 million). This figure was $2.3 million higher than 2014 ($29.6 million).

Recreation and Parks expenses of $24.6 million were $3.1 million higher than budgeted primarily due to unbudgeted amortization costs ($3.4 million) and unbudgeted debenture interest expenses ($1.2 million). This figure was slightly higher than 2014 ($23.7 million).

Utility Services expenses, including water, wastewater, storm water, and solid waste, of $28.6 million were $4.5 million higher than budgeted due to unbudgeted amortization costs ($4.3 million) and expected project expenses delayed from the previous year. This figure was consistent with 2014. Utilities are funded through rates but grants have been used to subsidize capital expenditures. In 2014, City Council passed a motion to phase out the use of MSI (Municipal Sustainability Initiative) grants that are not specifically designed to finance utilities. This phase-out will occur over a five-year period beginning in 2015. Subsequently in 2015, City Council elected to apply a portion of federal gas tax grants to utilities. The City does not receive a return on investment or dividend return from its utilities.

Transportation and Roadway Services expenses of $24.4 million were $10.6 million higher than budgeted primarily due to unbudgeted amortization costs (9.5 million) and unbudgeted debenture interest expenses ($1.0 million). This figure was slightly lower than 2014 ($24.8 million)

General Government Services expenses of $16.2 million were $3.3 million lower than budgeted primarily due to budgeted debenture interest expenses that are reported corporately rather than at the division level. This figure was higher than 2014 ($13.9 million) due to employee cost of living and related employee benefit increases, and an increase in contracted and general services.

Transit Services expenses of $13.9 million were $1.6 million higher than budgeted primarily due to unbudgeted amortization costs ($1.7 million). This figure was higher than 2014 ($13.4 million).

Cultural Services expenses of $13.4 million were $2.1 million higher than budgeted primarily because Arts and Heritage costs are not normally budgeted by the City. This figure was $2.1 million higher than 2014 ($11.3 million) due to an increase in contracted and general services.

Planning and Development Services expenses of $4.3 million were $0.1 million lower than budgeted. This figure was consistent with 2014.

Family and Social Services costs of $2.6 million were $0.2 million lower than budgeted. This figure was consistent with 2014.

As discussed previously, debt servicing costs of $6.0 million are included in the above results for each functional category. This figure was the same in 2014. If the City does not take on any new debt, debt servicing costs are expected to decrease as borrowings are retired over the next 13 years.

ANNUAL SURPLUS

During 2015, the City realized an excess of revenue over expenses in the amount of $57.8 million. This amount represents the City's Annual Surplus, which is summarized within the Consolidated Statement of Operations and Accumulated Surplus.

The Annual Surplus positively impacts the City's net asset position, but is reduced by the tangible capital asset activities such as acquisitions ($43.9 million) and amortization costs ($21.6 million), as well as contributed assets* of $13.0 million. These activities and other acquisitions or consumptions resulted in an overall increase in net assets of $36.0 million.

- Contributed assets provide a future economic benefit to the City and include roads, land, sidewalks and street lighting transferred from developers when projects are completed. Contributed assets are largely dependent on development and the timing of final acceptance certificates issued by the City to developers.

The City's operating activities also resulted in a modest budget surplus. This budget surplus was the result of an excess in total revenue available for operations relative to total expenses less amortization costs, long-term debt repayments, and transfers. As the Statement of Operations and Accumulated Surplus is based on full accrual accounting and includes amortization expense, revenue from government transfers for capital, and revenue from contributed assets, a reconciliation between the surplus on the Statement of Operations and Accumulated Surplus and the City's operating budget results is required.

CASH FLOWS

The Consolidated Statement of Cash Flows summarizes the City's sources and uses of cash. During 2015, the City's cash and cash equivalents position increased by $9.7 million to $37.4 million. Although cash from operations was lower in 2015, there was also less cash used to invest in financial and non-financial assets compared to 2014. The result was a net increase in the City's cash position. This demonstrates the application of the City's Cash Management Policy C-FS-04 and Investment Policy C-FS-02 which prescribe how excess cash is invested in a conservative bond portfolio and larger amounts are placed in longer term investments to earn higher yields.

The City's cash position is closely managed and remains adequate, along with short-term investments, to meet ongoing requirements. Management will also continue to conduct analyses to ensure that appropriate levels of working capital are maintained to maximize investment returns, maximize internal borrowing or debt prepayment opportunities, and minimize interest expenses or overdraft charges.

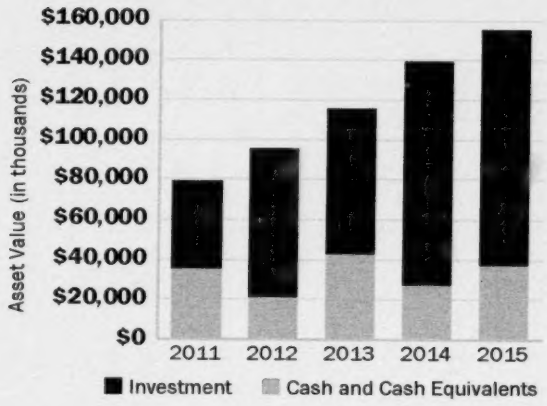
The City's Investment Policy C-FS-02 is used to ensure its investments conform to all provincial statutes and regulations while optimizing investment returns, providing maximum security of principal and meeting the City's daily cash flow requirements. Investments are limited to instruments in which the principal is unconditionally guaranteed, and investment performance is benchmarked against the three month Federal Treasury Bill rate, and the three and seven Year Government of Canada benchmark bond yield. A report on the City's investment portfolio is presented to City Council on a quarterly basis to ensure accountability for the nature and diversification of the portfolio to the investment policy.

In 2015, the City's long-term bond portfolio had effective rates of 1.78 per cent to 4.58 per cent, with maturity dates ranging between 2016 and 2024. The City's short-term investments had effective rates between 1.21 per cent and 1.90 per cent with maturity dates ranging between three months and one year. Both of these returns compare favourably to the 2015 three month treasury bill average return of 0.52 per cent, the 2015 three year Government of Canada benchmark bond yield of 0.54%, and the

seven year Government of Canada benchmark bond yield of 1.14%.

The City maintains a number of processes and financial controls to ensure that accountability is maintained and that management is able to proactively identify and address financial challenges.

Cash and Cash Equivalents vs. Investments



FINANCIAL CONTROL AND ACCOUNTABILITY

Financial Governance

Notwithstanding that the City's management is responsible for the preparation of the FSD&A and financial statements, the City's governance structure requires a review of various quarterly reporting, financial policies, audit findings, significant or unusual financial transactions, and accounting treatments or estimates. City Council has established a Standing Committee of the Whole to conduct these reviews, and also to assist Council by making recommendations on these matters. City Council is ultimately responsible for approving the City's budget, appointing the auditor, and providing general financial authority and oversight.

Budgeting and Financial Reporting

Based on the input from citizens, businesses, and numerous other stakeholders, City Council establishes an annual operating budget each year. This operating budget includes the required revenues to fund the City's delivery of desired programs and services to the community, and represents City Council's priorities as identified in the City's Strategic Plan, Business Plan, and other sources. From year to year, services may be altered when City Council identifies a clear need. Note that the operating budget is also prepared on the modified cash flow basis. Based on this method the City uses tax revenues, reserve transfers and government transfers to balance its operating budget. The operating budget does not include revenue from contributed assets, government transfers for capital, or amortization expense.

The City also prepares an annual capital budget based on the long-term projections of its 10 Year Capital Plan. Budget items for the current year are carefully reviewed on a project basis, and funded through a variety of mechanisms such as tax revenues, reserve transfers or government transfers. As there is typically a portion of the capital budget carried forward for projects not completed within the fiscal year, budgets are not directly comparable with current year actual amounts.

Accounting Process

The City is organized into various business areas, each responsible for managing the delivery of program services in accordance with the resources allocated to those programs. While all departments share a common accounting and reporting system, financial and accounting services are administered within the Financial Services department and delivered to each business area based on its needs.

Internal Controls

The City utilizes financial policies and procedures to ensure appropriate financial internal controls are in place. Policies and procedures are reviewed annually to comply with the Municipal Government Act (MGA) and the Public Sector Accounting Standards (PSAB). A proactive approach is taken to identify and address financial challenges.

Auditing Process

The Municipal Government Act requires a municipal council to appoint an independent auditor. In 2011, a tender for audit services was completed and City Council appointed the chartered accounting firm of Deloitte as the external auditor for a three-year term, with the option to extend for a period of up to three additional years, at City Council's discretion. The three year option was exercised in 2014. Following a comprehensive audit process and after working closely with management, the auditor must report to City Council with the annual consolidated financial statements. City Council approved the 2014 Consolidated Financial Statements at its meeting on April 18, 2016.

RISKS AND UNCERTAINTIES

The City is committed to an integrated approach to risk management, where it is viewed as a key component of sound business practice and due diligence. Management promotes a proactive, corporate-wide and systematic approach to managing risks that could affect City objectives.

Normal Operational Risk

In the usual course of business, the City is exposed to various risks that are mitigated through operational and financial controls. These risks include the normal operational risks associated with each of the City's programs and services, as well as social, legal, regulatory, and economic issues or changes that could impact City operations, human resource availability and cost, and investment risk related to volatile financial markets.

Certain financial information is also prepared using estimates and judgments that have been based on careful assessments through the City's management information systems. The City maintains a system of internal controls to provide reasonable assurance as to the fairness and reliability of that information and data. These control systems are regularly reviewed and enhanced as required to ensure the production of timely, accurate and complete financial information to protect and safeguard City assets.

Revenue Volatility

Certain categories of revenue are exposed to economic or other fluctuations. These include revenues related to development permits, gas franchise fees, interest revenue, user fees/charges, government transfers, etc.

To address the challenge associated with revenue volatility, the City applies conservative budgeting practices, quarterly variance forecasting, a long-term investment strategy, a new methodology for franchise fee calculation based on the stable cost of delivery, and various environmental scanning techniques to identify market changes. The City also continues to lobby higher orders of government, either independently or through its municipal associations, for sufficient and reliable transfers.

Infrastructure Replacement

Municipal infrastructure is required to support a community's economy and quality of life. To ensure that sufficient local infrastructure is available, the City applies long-term construction and maintenance plans or strategies. In many cases, the City's identified infrastructure requirements exceed its funding capacity; therefore City Council engages in prioritization and seeks alternative sources of funding, such as borrowing or government transfers. If not addressed, a municipality's infrastructure deficit could result in lost productivity, damage to property, and decreased quality of life.

Insurance Loss

The City maintains an insurance program to cover losses related to its activities, operations, assets and infrastructure. This program has two components: an insurance program purchased through well capitalized external insurers and a self-funded insurance program for all losses falling below policy deductibles. The City's approach to risk management attempts to achieve a balance between risk and total cost.

A claims reserve was established in 2008 to fund the City's self-insured program. The reserve is funded to a confidence level at the 95th percentile of the City's projected losses, as recommended in the November 2011 loss projection analysis report provided by an external consultant. At December 31, 2015, the City's outstanding and fully reserved insurance claims related liabilities were $0.8 million, and its claims self-insurance fund was another $1.3 million.

Environmental Risk

The City employs environmental management professionals to assist departments in complying with environmental laws and regulations. The City has also adopted policies and procedures to govern the City's approaches, and the organization follows environmental systems which provide a sound model to effectively deal with environmental impacts associated with municipal activities. In addition, insurance policies are in place to handle potential unexpected environmental exposures.

FUTURE OUTLOOK

The City of St. Albert continues to be recognized as one of the best places to live and raise a family in Canada. We have achieved this by providing an environment with high levels of service, in a fiscally responsible manner, which enhances the quality of life for those who call this community home.

As with all municipalities, the economic environment in Alberta, Canada and the world, along with the low Canadian dollar, impact both the way we do business today and how we must plan for the future both operationally and financially. This economic reality along with our limited non-residential tax base creates challenges in our goals of managing organizational costs to provide programs and services, maintaining our infrastructure and supporting the growth of the City.

A continued focus on fiscal sustainability, integrity and transparency along with rigorous short, medium and long-term planning will be required to ensure the success of our future community. Global and local economic conditions have an impact on our non-property tax based revenues such as licences and permits, user fees, investment income and government transfers. We must continue to monitor these impacts closely and be able to react in a timely manner should adjustments to budgets and business plans be required. The City will also continue to focus efforts into attracting non-residential investment and fostering innovation throughout the organization. We will advocate on behalf of our residents and will actively seek funding to undertake projects required to maintain and grow our programs and infrastructure.

The City of St. Albert is in an enviable financial position with healthy reserve balances and a solid strategic plan that culminates into a forecasted three year operating and 10 year capital plan.

Our ability to capitalize on fiscal opportunities, provide high quality programs and services and effectively maintain and grow our civic infrastructure is made possible through the efforts of the dedicated staff of the City of St. Albert. My appreciation is extended to all of those who make St. Albert a great place to live and work.

Mike Dion
General Manager & Chief Financial Officer – Finance & Assessment
April 18, 2016

CANADIAN AWARD FOR FINANCIAL REPORTING

For the last 15 years, the City has received a Canadian Award for Financial Reporting for its Annual Financial Reports. This award, presented by the Government Finance Officers Association of the United States and Canada (GFOA), is presented to governments across Canada who publish high-quality financial reports.

In order to qualify, a government must publish an easily readable and efficiently organized annual financial report, the contents of which conform to program standards beyond the minimum requirements prescribed by Canada's Generally Accepted Accounting Principles. Such a report should clearly communicate the municipality's financial condition, enhance an understanding of financial reporting, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. The City of St. Albert believes its current Report continues to conform to the program award requirements and will therefore again forward it to the Government Finance Officers Association for award consideration.

Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

The City of St. Albert

Alberta

For its Annual
Financial Report
for the Year Ended

December 31, 2014

Executive Director/CEO

FINANCIAL SECTION

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Management's Report

To the Mayor and members of Council of the City of St. Albert,

Management is responsible for the integrity, relevance and comparability of the data in the accompanying consolidated financial statements. The consolidated financial statements have been prepared by Management in accordance with Canadian Public Sector Accounting Board standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on Management's best estimates.

It is City policy to practice the highest standard of ethics. The City also has policies and procedures for internal controls.

Management is committed to maintaining an extensive system of internal controls, providing reasonable assurance that:

* all transactions are appropriately authorized
* assets are properly accounted for and safeguarded
* all transactions are appropriately recorded, and financial records are reliable for the preparation of financial statements.

Oversight for Management's responsibilities for financial reporting is provided by City Council through the Standing Committee on Finance. There are regular meetings between the Committee, Management and independent auditors to discuss auditing and reporting on financial matters, and to ensure that Management is carrying out its responsibilities with its preparation of the financial statements. The auditors have full and free access to the Committee and Management.

The consolidated financial statements have been audited by the independent firm of Deloitte LLP.

Patrick Draper,

City Manager

Mike Dion, MBA, CPA,CMA

General Manager and Chief Financial Officer

Deloitte.

Deloitte LLP
2000 Manulife Place
10180 - 101 Street
Edmonton AB T5J 4E4
Canada

Tel: 780 421 3611
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www.deloitte.ca

Independent Auditor's Report

To the Mayor and members of Council of the City of St. Albert

We have audited the accompanying consolidated financial statements of the City of St. Albert, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations and accumulated surplus, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of St. Albert as at December 31, 2015, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants

April 18, 2016

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2015 (in thousands of dollars)

	2015	2014
Financial Assets		
Cash and Cash Equivalents (Note 3)	$ 37,403	$ 27,680
Accounts Receivable	12,115	9,976
Taxes Receivable	2,930	2,900
Inventories Held for Resale	22	23
Land Held for Resale	614	614
Investments (Note 4)	118,057	111,248
Total Financial Assets	171,141	152,441
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	17,326	15,993
Deferred Revenue - Government Transfers (Note 6)	31,378	36,485
Deferred Revenue - Developer Levies (Note 6)	2,648	12,217
Deferred Revenue - Other (Note 6)	2,800	2,710
Deposit Liabilities	1,612	1,885
Long-Term Debt (Note 7)	45,515	49,270
Landfill Liability (Note 8)	200	200
Total Financial Liabilities	101,479	118,760
Net Financial Assets	69,662	33,681
Non-Financial Assets		
Tangible Capital Assets (Note 9)	875,884	854,363
Inventories of Materials and Supplies	1,049	952
Prepaid Expenses	499	305
Total Non-Financial Assets	877,432	855,620
Accumulated Surplus (Note 11)	$ 947,094	$ 889,301

Commitments and Contingencies (Note 12)

Approved by:

Mayor

City Manager

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year Ended December 31, 2015 (in thousands of dollars)

	2015 Budget (Note 17)	2015	2014
Revenue			
Property Taxes (Note 13)	$ 90,610	**$ 90,691**	$ 85,161
Sales and User Fees	57,727	**59,640**	52,691
Government Transfers (Note 14)	23,313	**21,684**	24,401
Developer Contributions and Levies	-	**14,314**	3,092
Fines and Penalties	4,055	**6,578**	4,310
Licenses and Permits	2,617	**3,226**	2,880
Contracted Services Revenue	2,593	**2,593**	2,933
Investment Income	2,369	**2,350**	2,153
Franchise Fees	1,984	**2,015**	1,943
Other Revenue	785	**1,550**	2,048
Total Revenue	186,053	**204,641**	181,612
Expenses			
Protective Services	31,374	**31,874**	29,585
Utility Services	24,085	**28,557**	28,584
Recreation and Parks	21,541	**24,610**	23,687
Transportation and Roadway Services	13,779	**24,404**	24,841
General Government Services	19,447	**16,167**	13,921
Transit Services	12,386	**13,942**	13,350
Cultural Services	11,246	**13,381**	11,261
Planning and Development Services	4,419	**4,318**	4,311
Family and Social Services	2,841	**2,620**	2,577
Total Expenses	141,118	**159,873**	152,117
Annual Surplus Before Other	44,935	**44,768**	29,495
Other			
Contributed Assets	-	**13,025**	12,017
Annual Surplus	44,935	**57,793**	41,512
Accumulated Surplus, Beginning of Year	889,301	**889,301**	847,789
Accumulated Surplus, End of Year	$ 934,236	**$ 947,094**	$ 889,301

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
Year Ended December 31, 2015 (in thousands of dollars)

	2015 Budget (Note 17)	2015	2014
Annual Surplus	$ 44,935	**$ 57,793**	$ 41,512
Acquisition of Tangible Capital Assets	(40,337)	**(30,908)**	(34,611)
Contributed Tangible Capital Assets	-	**(13,025)**	(12,017)
Proceeds on Disposal of Tangible Capital Assets	-	**610**	500
Amortization of Tangible Capital Assets	-	**21,644**	20,746
Loss (Gain) on Disposal of Tangible Capital Assets	-	**158**	(101)
	4,598	**36,272**	16,029
Acquisition of Inventories of Materials and Supplies	-	**(1,049)**	(952)
Acquisition of Prepaid Expenses	-	**(499)**	(305)
Consumption of Inventories of Materials and Supplies	-	**952**	892
Use of Prepaid Expenses	-	**305**	503
	-	**(291)**	138
Increase in Net Assets	4,598	**35,981**	16,167
Net Financial Assets, Beginning of Year	33,681	**33,681**	17,514
Net Financial Assets, End of Year	$ 38,279	**$ 69,662**	$ 33,681

The accompanying notes are an integral part of these consolidated financial statements.

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2015 (in thousands of dollars)

	2015	2014
Cash Provided by (Used in):		
Operating Activities		
Annual Surplus	$ 57,793	$ 41,512
Items Not Involving Cash:		
Amortization	21,644	20,746
Tangible Capital Assets Received as Contributions	(13,025)	(12,017)
Loss (Gain) on Disposal of Tangible Capital Assets	158	(101)
	66,570	50,140
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	(2,139)	(38)
Taxes Receivable	(30)	158
Inventories Held for Resale	1	9
Land Held for Resale	-	(554)
Accounts Payable and Accrued Liabilities	1,005	(1,742)
Deferred Revenue - Government Transfers	(5,107)	6,011
Deferred Revenue - Developer Levies	(9,569)	8,463
Deferred Revenue - Other	90	310
Deposit Liabilities	(273)	(43)
Landfill Liability	-	(30)
Inventories of Materials and Supplies	(97)	(60)
Prepaid Expenses	(194)	198
Cash From Operating Activities	50,257	62,822
Capital Activities		
Acquisition of Tangible Capital Assets	(30,580)	(36,436)
Proceeds on Disposal of Tangible Capital Assets	610	500
Cash applied to Capital Activities	(29,970)	(35,936)
Investing Activities		
Purchase of Investments	(125,198)	(200,558)
Maturity of Investments	118,389	161,925
Cash applied to Investing Activities	(6,809)	(38,633)
Financing Activities		
Repayment of Long-Term Debt	(3,755)	(3,588)
Cash applied to Financing Activities	(3,755)	(3,588)
Increase (Decrease) in Cash and Cash Equivalents During Year	9,723	(15,335)
Cash and Cash Equivalents, Beginning of Year	27,680	43,015
Cash and Cash Equivalents, End of Year	$ 37,403	$ 27,680

The accompanying notes are an integral part of these consolidated financial statements.

1. Significant Accounting Policies

The consolidated financial statements ("financial statements") of the City of St. Albert (the "City") are the representations of management and have been prepared in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the City are as follows:

a. Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The entity is comprised of all organizations, committees and local boards that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, entities include the St. Albert Public Library and the Arts & Heritage Foundation of St. Albert. Inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated. Note 13 to the financial statements also includes requisitions for educational and other organizations that are not part of the City.

b. Use of Estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating, historical cost of certain tangible capital assets, useful lives of tangible capital assets, fair value of contributed assets, provisions for accrued liabilities, landfill liability, contaminated site liabilities, revenue recognized in the year, deferred revenue, provision for tax exempt appeals, investment impairment, provisions for allowances in accounts receivable and in performing actuarial valuations of employee future benefits.

Actual results could differ from these estimates.

c. Basis of Accounting

The City follows the accrual basis of accounting. Revenue, which is not directly related to any specific program, is reflected in General Municipal Revenue.

i. Revenue

Revenue is accounted for in the period in which it is earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase of tangible capital assets.

ii. Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

1. Significant Accounting Policies (cont'd)

d. Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits and short term investments with original term to maturity of three months or less.

e. Land Held for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

f. Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the straight line basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

g. Inventories Held for Resale

Inventories held for resale consist mainly of concession inventory and are valued at lower of cost and net realizable value.

h. Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

i. Tangible Capital Assets

Tangible capital assets ("TCA") are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land, is amortized on a straight line basis over the estimated useful lives as follows:

Buildings and Building Improvement	5 to 50 years
Land Improvement	10 to 30 years
Library Collections	5 years
Engineered Structures	
Roadway System	15 to 60 years
Water System	35 to 75 years
Wastewater System	35 to 75 years
Storm System	35 to 75 years
Machinery and Equipment	10 to 25 years
Vehicles	10 to 25 years

1. Significant Accounting Policies (cont'd)

h. Non-Financial Assets (cont'd)

i. Tangible Capital Assets (cont'd)

One half of annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Cultural and historical assets such as works of art, historical and heritage sites are not recorded as tangible capital assets in these financial statements but are disclosed.

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

ii. Contributions of Tangible Capital Assets

TCA received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii. Inventories of Materials and Supplies

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and replacement cost.

i. Tax Revenue

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred.

Requistions operate as a flow thorugh and are excluded from municipal revenue.

j. Government Transfers

Government transfers are the transfer of assets from senior level government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

k. Post Employment Benefits

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

1. Significant Accounting Policies (cont'd)

l. Landfill Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the City is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The liability for closure and post-closure care has been recognized based on an estimate of future expenses.

m. Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

n. Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

2. CHANGE IN ACCOUNTING POLICY

The City has adopted the PSAS Handbook Section 3260 Liability for Contaminated Sites effective January 1, 2015. Under Section 3260, contaminated sites are the result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The adoption of Section 3260 has been applied on a prospective basis and prior periods have not been restated

3. CASH AND CASH EQUIVALENTS

	2015	2014
Cash	$ 22,403	$ 22,680
Cash Equivalents	15,000	5,000
	$ 37,403	$ 27,680

Cash includes balances of $21,775 (2014 - $22,127) having yields ranging from 0.75% to 0.95% (2014 - 1.00% to 1.25%)

Cash equivalents are comprised of short term deposits having yields of 1.35% to 1.50% (2014 - 1.76%) with an original maturity within 3 months.

4. INVESTMENTS

	2015		2014	
	Carrying Value	Market Value	Carrying Value	Market Value
Short Term Notes and Deposits	$ 80,000	$ 80,000	$ 73,000	$ 73,000
Corporate Bonds	37,857	39,021	38,048	39,304
Credit Union Shares	200	200	200	200
	$ 118,057	$ 119,221	$ 111,248	$ 112,504

Short term notes and deposits have effective rates of 1.21% to 1.90% (2014 - 1.76% to 1.93%), are for fixed terms, and have maturity dates ranging between 3 months and one year.

The City's bond portfolio has effective rates of 1.78% to 4.58% (2014 - 2.02% to 4.58%), with call dates ranging between 2016 and 2024.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The prospective application of Section 3260 increased the estimated liability related to contaminated sites by $125 related to sites currently not in use.

6. DEFERRED REVENUE

Pursuant to funding agreements with the Provincial and/or Federal Government, the use of these funds together with any earnings thereon is restricted to eligible expenditures on operating or capital projects as approved by the governments. These funds are recognized as revenue in the period the stipulations are met.

	2014	Net Contributions	Interest Earned	Applied	2015
Deferred Revenue - Government Transfers					
Municipal Sustainability Initiative	$ 26,584	$ 8,006	$ 547	$ (5,937)	$ **29,200**
Alberta Municipal Infrastructure Program	2,114	-	31	(2,071)	**74**
New Deal for Cities and Communities	2,687	3,340	62	(4,043)	**2,046**
Ray Gibbon Drive Provincial Grant Funding	21	118	-	-	**139**
Basic Capital Grant	4,975	-	85	(5,262)	**(202)**
Alberta Community Partners	-	411	3	(394)	**20**
Municipal Sustainability Initiative - Affordable Housing	104	10	2	(15)	**101**
Total Deferred Revenue - Government Transfers	36,485	11,885	730	(17,722)	**31,378**
Deferred Revenue - Developer Levies					
Transportation Offsite Levy	7,100	2,549	42	(9,660)	**31**
Water Offsite Levy	3,871	2,021	41	(4,500)	**1,433**
Sanitary Sewer Levy	1,096	174	23	(120)	**1,173**
Stormwater Levy	150	(140)	1	-	**11**
Total Deferred Revenue - Developer Levies	12,217	4,604	107	(14,280)	**2,648**
Deferred Revenue - Other					
Servus Place	1,085	1,491	-	(1,498)	**1,078**
Other Miscellaneous - Operating	582	1,025	-	(828)	**779**
Arts and Heritage Foundation	142	164	-	(142)	**164**
Licensing	317	250	-	(317)	**250**
Community	36	1,249	-	(1,171)	**114**
Other Miscellaneous - Capital	213	-	4	(177)	**40**
Utilities	111	-	-	(8)	**103**
Performing Arts	174	209	-	(174)	**209**
Library	50	32	-	(19)	**63**
Total Deferred Revenue - Other	2,710	4,420	4	(4,334)	**2,800**
Total Deferred Revenue	$ 51,412	$ 20,909	$ 841	$ (36,336)	$ **36,826**

7. LONG-TERM DEBT

a. Long-term debt consists of:

	2015	2014
Municipal Tax Supported Debenture	$ 45,515	$ 49,270

Debenture debt has been issued on the credit and general security of the City. Debentures are held by the Alberta Capital Finance Authority. Debenture interest is payable, before Provincial subsidy, at rates ranging from 3.34% to 5.00% per annum. The debentures are payable in annual or semi annual amounts and mature in periods ranging from 2019 to 2028.

The City has an operating line of credit with its bank of $5,000 (2014 - $5,000). This credit facility bears interest at the TD Composite Prime minus 0.50% and was not drawn on at December 31, 2015.

The Province of Alberta currently provides an interest subsidy in the form of an interest subsidization grant on eligible debenture issues.

Maximum Interest Rate Payable Period of Debenture Issue	After Provincial Subsidy
January 1, 1974 - March 31, 1980	9.6 %
April 1, 1980 - March 26, 1981	10.4 %
March 27, 1981 - March 31, 1982	11.6 %

Interest on long-term debt amounted to $2,217 (2014 - $2,384) and is recorded in the Consolidated Statement of Operations and Accumulated Surplus.

The City's total cash payments for interest in 2015 were $2,246 (2014 - $2,412).

b. Long-term debt principal and interest amounts due in each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2016	$ 3,929	$ 2,071	$ 6,000
2017	4,111	1,889	6,000
2018	4,302	1,698	6,000
2019	4,502	1,498	6,000
2020	4,257	1,293	5,550
Thereafter	24,414	3,565	27,979
	$ 45,515	$ 12,014	$ 57,529

7. LONG-TERM DEBT (cont'd)

c. Debt Limits

Section 276(2) of the Municipal Government Act requires that debt and debt limits, as defined by Alberta Regulation 255/2000 for the City be disclosed as follows:

	2015	2014
Total Debt Limit	$ 280,586	$ 241,902
Total Debt Service Limit	46,764	40,317
Amount of Debt Limit Unused	233,822	201,585
Maximum Allowable Debt Servicing Limit	46,735	40,333
Annual Payments of Existing Debt	6,000	6,000
Amount of Debt Servicing Limit Unused	$ 40,735	$ 34,333

The debt limit is calculated at 1.5 times revenue of the City (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the City, rather, the financial statements and other factors must be considered.

8. LANDFILL LIABILITY

Alberta environmental law requires closure and post closure care of landfill sites, which includes final covering and landscaping, plumbing of groundwater and leachates from the sites, and ongoing environmental monitoring, site inspections and maintenance. The City received an Environment Canada order to undertake additional capping and grading measures in 2005 to prevent leaching into the Sturgeon River from its landfill. The City is continuing with its ongoing monitoring program of the former landfill and sewage lagoons in Riel Park including the submission of reports to Environment Canada. The groundwater monitoring of the site has been ongoing since 1999 and the program was expanded in June 2004 in consultation with the regulators. A Site Management Alternative report was completed in December 2005 and the City met with the regulators to discuss the alternatives and the recommended action plan. The action plan includes objectives that will maintain the integrity of the containment berms, minimize the generation of leachate and continued monitoring of the groundwater.

The landfill was permanently closed in 1986.

The City's estimated total liability is based on the sum of discounted future cash flows for post closure activities from 2010 to 2015 using a discount rate of 1.95% (2014 - 2.31%) based on the Alberta Capital Finance Authority 10 year rate stated at December 15, 2015.

8. LANDFILL LIABILITY (cont'd)

	2015	2014
Estimated Closure Costs	**$ 200**	$ 200

During the year, the City incurred costs of $0 (2014 - $30) related to the landfill closure and post closure liability. In October 2015 the City obtained a revised cost estimate which is primarily related to ongoing environmental monitoring. The landfill liability has been revised to reflect the new estimate.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2015 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS

	2015									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	$ 7,414	$ 2,225	$ 47,962	$ 535,375	$ 130,691	$ 21,459	$ 384,674	$ 37,208	$ 39,701	$ 1,206,709
Acquisitions	151	413	1,095	26,347	39	2,436	-	3,051	10,401	43,933
Disposals	(20)	(403)	-	-	(990)	(600)	-	(696)	(160)	(2,869)
Balance, End of Year	**7,545**	**2,235**	**49,057**	**561,722**	**129,740**	**23,295**	**384,674**	**39,563**	**49,942**	**1,247,773**
Accumulated Amortization										
Balance, Beginning of Year	846	1,080	22,819	245,530	57,389	10,240	-	14,442	-	352,346
Amortization expense	200	446	1,957	12,007	2,665	2,115	-	2,254	-	21,644
Disposals	(20)	(403)	-	-	(566)	(540)	-	(572)	-	(2,101)
Balance, End of Year	**1,026**	**1,123**	**24,776**	**257,537**	**59,488**	**11,815**	**-**	**16,124**	**-**	**371,889**
Net Book Value, End of Year	**$ 6,519**	**$ 1,112**	**$ 24,281**	**$ 304,185**	**$ 70,252**	**$ 11,480**	**$ 384,674**	**$ 23,439**	**$ 49,942**	**$ 875,884**

9. TANGIBLE CAPITAL ASSETS (cont'd)

2014

	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	$ 6,715	$ 2,207	$ 46,665	$ 511,341	$ 130,422	$ 28,051	$ 372,827	$ 36,201	$ 36,973	$ 1,171,402
Acquisitions	699	445	1,297	24,034	269	3,049	11,882	2,160	2,793	46,628
Disposals	-	(427)	-	-	-	(9,641)	(35)	(1,153)	(65)	(11,321)
Balance, End of Year	**7,414**	**2,225**	**47,962**	**535,375**	**130,691**	**21,459**	**384,674**	**37,208**	**39,701**	**1,206,709**
Accumulated Amortization										
Balance, Beginning of Year	657	1,061	20,902	234,037	54,714	17,833	-	13,318	-	342,522
Amortization expense	189	444	1,917	11,493	2,675	1,896	-	2,132	-	20,746
Disposals	-	(425)	-	-	-	(9,489)	-	(1,008)	-	(10,922)
Balance, End of Year	**846**	**1,080**	**22,819**	**245,530**	**57,389**	**10,240**	**-**	**14,442**	**-**	**352,346**
Net Book Value, End of Year	**$ 6,568**	**$ 1,145**	**$ 25,143**	**$ 289,845**	**$ 73,302**	**$ 11,219**	**$ 384,674**	**$ 22,766**	**$ 39,701**	**$ 854,363**

9. TANGIBLE CAPITAL ASSETS (cont'd)

a. Assets Under Construction

Assets under construction have a cost of $49,942 (2014 - $39,701) and are amortized when the assets are put into service.

b. Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The fair value of contributed assets received during the year is $13,025 (2014 - $12,017). This amount is comprised of roads infrastructure in the amount of $0 (2014 - $5,786), water, storm and wastewater infrastructure in the amount of $12,953 (2014 - $3,174), land improvement (contributed land per the agreement) in the amount of $0 (2014 - $3,057) and other infrastructure - park and theatre $72 (2014 - $0).

c. Works of Art and Historical Treasures

The City artifacts, paintings and sc manages and controls various works of art and non-operational historical cultural assets including buildings,ulptures located at City sites and public display areas. These assets are not recorded as tangible capital assets.

d. Non Cash Additions to Tangible Capital Assets

Included in Accounts Payable and Accrued Liabilities is $328 (2014 - $1,825) related to tangible capital asset acquisition. Amounts will be reported as acquisition of tangible capital assets in the consolidated Statement of Cash Flows in the year the amount is paid.

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2015	2014
Tangible Capital Assets (Note 9)	$ 1,247,773	$ 1,206,709
Accumulated Amortization (Note 9)	(371,889)	(352,346)
Long-Term Debt (Note 7)	(45,515)	(49,270)
	$ 830,369	$ 805,093

11. ACCUMULATED SURPLUS

Accumulated surplus consists of unrestricted, restricted and amounts invested in tangible capital assets as follows:

	2015	2014
Unrestricted Surplus	$ 480	$ 221
Restricted Surplus - Reserves (Schedule 1)	116,245	83,987
Equity in Tangible Capital Assets	830,369	805,094
Total Accumulated Surplus	$ 947,094	$ 889,301

12. COMMITMENTS AND CONTINGENCIES

a. Annexation

On February 14, 2007 the Lieutenant Governor in Council approved the request of the City of St. Albert to annex land from Sturgeon County ("County"). Effective January 1, 2007 the City's boundaries were extended to include all of the land that St. Albert had requested. The City is obligated to pay the County $800 at a rate of $80 per year starting in 2009 and ending 2018. In addition, the City paid tax sharing amounts to the County until 2013.

As of April 1, 2007 the City is responsible for the roadway maintenance and municipal services within the annexed area. The annexation brings within the boundaries of St. Albert the proposed alignment of Ray Gibbon Drive.

b. Legal Claims

As at December 31, 2015, the City was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no adverse effect on the City's financial position.

c. Lease Commitments

The City has entered into several operating lease agreements for space rental. Lease commitments over the next five years and thereafter are as follows:

2016	$ 292
2017	278
2018	278
2019	278
2020	256
Thereafter	517
	$ 1,899

13. PROPERTY TAXES

Property taxes revenue, reported on the Consolidated Statement of Operations and Accumulated Surplus, is comprised of the following:

	2015 Budget (Note 17)	2015	2014
Taxation			
Real Property Taxes	$ 118,813	**$ 117,596**	$ 111,529
Linear Property Taxes	1,110	**1,090**	1,110
Government Grants in place of property tax	-	**1,288**	1,082
Total Taxation	119,923	**119,974**	113,721
Requisitions			
Alberta School Foundation Fund	21,100	**21,078**	20,404
Opted Out School Board	7,082	**7,074**	7,069
Sturgeon Foundation Requisition	1,051	**1,051**	1,007
Other	80	**80**	80
Total Requisitions	29,313	**29,283**	28,560
Property Taxes Available for Municipal Purposes	$ 90,610	**$ 90,691**	$ 85,161

14. GOVERNMENT TRANSFERS

The City recognizes the authorized transfer of government funding and the expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the Consolidated Statement of Operations and Accumulated Surplus are:

	2015 Budget (Note 17)	2015	2014
Government Transfers for Operations			
Provincial Transfers	$ 3,462	**$ 3,885**	$ 3,853
Federal Transfers	189	**215**	203
Total Operating Transfers	3,651	**4,100**	4,056
Government Transfers for Capital			
Provincial Transfers	16,287	**13,603**	13,952
Federal Transfers	3,375	**3,981**	6,393
Total Capital Transfers	19,662	**17,584**	20,345
Total Government Transfers	$ 23,313	**$ 21,684**	$ 24,401

15. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer, and the designated officer is required by Alberta Regulation 313/2000. This information is not presented in thousands of dollars.

	Salaries (a)	Benefits and Allowances (b)	2015	2014
Mayor N. Crouse	$ 137,515	$ 7,847	**$ 145,362**	$ 141,765
Councillor W. Brodhead	41,210	5,807	**47,017**	45,980
Councillor C. Heron	44,007	2,058	**46,065**	45,079
Councillor C. MacKay	38,510	3,768	**42,278**	40,741
Councillor S. Hughes	37,610	5,282	**42,892**	41,930
Councillor T. Osborne	41,710	5,813	**47,523**	45,891
Councillor G. Prefontaine (I)	11,966	519	**12,485**	40,584
Councillor Russell (II)	18,255	134	**18,389**	-
Chief Administrative Officer	269,876	42,272	**312,148**	302,225
Designated Officer	137,529	36,994	**174,523**	171,016

(I) Council Term completed April 2015
(II) Council Term started July 2015

a. Salaries

Salaries (a) above includes amounts received from an independent organization by the Mayor and Councillors when acting in their capacity. In 2014, these amounts were not paid by the City and are therefore excluded as expenses in the City's consolidated financial statements. In 2015, these amounts were paid through the City and are included in the City's expenses, in the consolidated financial statements.

b. Benefits and Allowances

Benefits and allowances (b) above, include any allowances, as well as the City's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employment insurance, WCB, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance, long and short term disability plans, professional memberships, and car allowances.

16. PENSION PLANS

a. Local Authorities Pension Plan

Approximately 621 (2014 - 615) employees of the City participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The plan is financed by employer and employee contributions and investment earnings of the LAPP Fund. The City is required to make current service contributions to the LAPP of 11.39% (2014 - 11.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% (2014 - 15.84%) on pensionable earnings above this amount. Employees of the City are required to make current service contributions of 10.39% (2014 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2014 - 14.84%) on pensionable salary above this amount.

Total contributions by the City to the LAPP in 2015 were $6,141 (2014 - $5,817). Total contributions by the employees of the City to the Local Authorities Pension Plan in 2015 were $5,679 (2014 - $5,388). As at December 31, 2014, the plan reported the value of its assets at $30.7 billion (2013 - $26.6 billion) and disclosed an actuarial deficiency of $2.45 billion (2013 - $4.86 billion). Plan asset and actuarial deficiency data as at December 31, 2015 were notyet available.

b. APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees (20 beneficiaries (2014 - 19). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. The employees and the City are required to make current service contributions to APEX of 2.50% and 3.00% (2014 - 2.50% and 3.00%) respectively, of pensionable earnings up to $141 (2014 - $139).Total current service contributions by the City to APEX in 2015 were $81 (2014 - $79). Total current service contributions by the employees of the City were $67 (2014 - $66).

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. The cost of post retirement benefits are fully funded.

As at December 31, 2015, the APEX supplementary pension plan has vested with approximately 87% of eligible employees. The City has disclosed contributions to the APEX plan.

c. MuniSERP

The MuniSERP supplementary overcap retirement plan extend LAPP and APEX pension benefit levels beyond the Canada Revenue Agency maximum. The plan commenced on January 1, 2003, and provides supplementary benefits to a prescribed class of employees (13 beneficiaries (2014 - 13)). MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered supplementary employee retirement plan. The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. As at December 31, 2015, an actuarial valuation has been completed along with corresponding disclosure of designated assets.

16. PENSION PLANS (cont'd)

The following presents the MuniSERP obligation as at December 31, 2015:

	2015	2014
Accrued Benefit Obligation		
Balance, Beginning of Year	$ 282	$ 191
Current Service Cost and Interest Cost	57	91
Balance, End of Year	$ 339	$ 282

There are no defined benefit plan assets.

The significant actuarial assumptions in measuring the City's accrued benefit obligation are as follows:

	2015	2014
Discount Rate	5.00 %	5.00 %
Rate of Compensation Increase	4.00 %	4.00 %

17. BUDGET FIGURES

Budgets established for capital acquisitions and related financing are calculated on a project oriented basis. As these transactions may be carried out over one or more years, they are not directly comparable with current year actual amounts.

The table below reconciles the consolidated annual surplus to the City's operating surplus based on the methods used in preparing its fiscal plan.

	2015 Budget	2015	2014
Annual Surplus	$ 44,935	$ 57,793	$ 41,512
Internal Transfers (net operating and capital)	(843)	(31,907)	(11,941)
Contributed Assets	-	(13,025)	(12,017)
Repayment of Long Term Debt	(3,755)	(3,755)	(3,588)
Loss (Gain) on Sale of Tangible Capital Assets	-	158	(101)
Amortization	-	21,644	20,746
Capital Costs	(40,337)	(30,908)	(34,611)
Operating Surplus	$ -	$ -	$ -

The budget data presented in these consolidated financial statements is based upon the 2015 operating and capital budgets approved by Council. Amortization, contributed assets and loss/gain of tangible capital assets were not contemplated in development of the budget and, as such, have not been included.

18. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a. General Government Services

The City's general services include its corporate functions, such as finance, information technology, human resources, taxation and assessment, legislative operations, and common and fiscal services.

b. Protective Services

The City contracts with the Royal Canadian Mounted Police for police protection, and holds a contract through Alberta Health Services to provide emergency medical services within the community. The City also operates a municipal fire department and provides bylaw enforcement services.

c. Recreation and Parks

The City owns large park systems such as the Red Willow Park and numerous community and neighbourhood parks and playgrounds. The City also provides a variety of recreational programs and services to residents on a year round basis.

d. Utility Services

Four utilities – water, wastewater, storm, and solid waste/recycling – are administered directly by the City. While these utilities are funded independently from municipal operations as per the City's 100 Year Utility Rate Model, financial results are included with the City.

e. Transportation and Roadway Services

The City provides a number of maintenance and related services for streets, sidewalks, lighting, and equipment pool. Costs related to summer and winter road maintenance are also captured here. Roadway services provides service to other segments of the organization on a cost recovery basis, which is reflected in other expense recoveries.

f. Transit Services

St. Albert Transit is a municipally owned and operated transit service offering local and commuter routes for riders. St. Albert Transit operates on a subsidized fee for service basis.

g. Cultural Services

St. Albert has cultural programs, services, and events. The City of St. Albert Library and Arts & Heritage Foundation are included in Cultural Services on the Consolidated Statement of Operations and Accumulated Surplus.

18. SEGMENTED INFORMATION (cont'd)

h. Planning and Development Services

To ensure that the community is well planned and attractive for investment, the City is active in the area of land use planning, engineering, and economic development.

i. Family and Social Services

Social services include those provided by the City's Family and Community Support Services department, in addition to costs related to the St. Albert Cemetery and other community supports.

j. St. Albert Public Library

The St. Albert Public Library, (the "Library") was established in 1961 by St. Albert's Town Council under the provisions of the Provincial Libraries Act. The Library is governed by a separate Board, and provides programs and services to the residents of St. Albert and surrounding areas.

k. Arts and Heritage Foundation

St. Albert's Arts and Heritage Foundation (the "AHF") manages the Profiles Public Art Gallery, the Museé Héritage Museum, and various other local heritage sites. AHF also offers programs and exhibitions and ensures that historic buildings and significant artifacts are preserved.

CITY OF ST. ALBERT
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Year Ended December 31, 2015 (in thousands ofdollars)

18. SEGMENTED INFORMATION (cont'd)

The following tables report the financial operations for each of the above mentioned segments.

December 31, 2015	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation & Roadway Services	Transit Services	Culture Museums & Halls	Planning and Development Services	Family and Social Services	St. Albert Public Library	Arts and Heritage	Total 2015
Revenue												
Property Taxes	$ 90,691	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 90,691
Sales and User Fees	233	1,270	10,501	39,693	533	4,398	1,211	862	234	338	367	59,640
Government Transfers	1,666	1,689	24	3,764	8,511	-	1,785	2,514	1,211	373	147	21,684
Other Revenue	473	4	501	40	1	-	285	18	29	55	144	1,550
Fines and Penalties	824	5,614	-	140	-	-	-	-	-	-	-	6,578
Contracted Services Revenue	-	2,593	-	-	-	-	-	-	-	-	-	2,593
Licenses and Permits	795	387	-	-	19	-	-	2,025	-	-	-	3,226
Franchise Fees	2,015	-	-	-	-	-	-	-	-	-	-	2,015
Investment Income	1,289	13	119	632	187	68	17	17	-	8	-	2,350
Developer Contributions and Levies	-	-	-	4,654	9,660	-	-	-	-	-	-	14,314
Total Revenue	97,986	11,570	11,145	48,923	18,911	4,466	3,298	5,436	1,474	774	658	204,641
Expenses												
Salaries, Wages and Benefits	13,010	18,872	13,487	4,722	8,270	2,258	3,151	3,434	1,354	3,191	1,515	73,264
Contracted and General Services	887	2,604	1,929	7,793	3,765	8,044	2,277	555	96	302	228	28,480
Amortization	1,201	827	3,408	4,278	9,548	1,687	78	46	-	555	16	21,644
Purchases from Other Governments	-	7,906	-	10,288	-	-	-	-	-	-	-	18,194
Materials, Goods and Utilities	315	844	3,308	739	4,583	1,749	829	84	55	506	372	13,384
Transfers to Individuals & Organizations	129	-	-	5	32	-	1,752	115	1,099	-	(1,520)	1,612
Interest on Long-Term Debt	-	-	1,177	-	1,040	-	-	-	-	-	-	2,217
Other Expenses (Recovery)	625	816	1,297	797	(2,852)	19	96	84	16	5	17	920
Loss (Gain) on Disposal of Tangible Capital Assets	-	5	4	(65)	18	185	-	-	-	-	11	158
Total Expenses	16,167	31,874	24,610	28,557	24,404	13,942	8,183	4,318	2,620	4,559	639	159,873
Excess (Deficiency) of Revenue over Expenses before Other	81,819	(20,304)	(13,465)	20,366	(5,493)	(9,476)	(4,885)	1,118	(1,146)	(3,785)	19	44,768
Other												
Contributed Assets	-	-	63	12,953	-	-	9	-	-	-	-	13,025
Excess (Deficiency) of Revenue over Expenses	$ 81,819	$ (20,304)	$ (13,402)	$ 33,319	$ (5,493)	$ (9,476)	$ (4,876)	$ 1,118	$ (1,146)	$ (3,785)	$ 19	$ 57,793

18. SEGMENTED INFORMATION (cont'd)

December 31, 2014	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation and Roadway Services	Transit Services	Culture: Museums & Halls	Planning and Development Services	Family and Social Services	St. Albert Public Library	Arts and Heritage	Total 2014
Revenue												
Property Taxes	$ 85,161	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 85,161
Sales and User Fees	265	1,250	10,774	32,194	956	4,150	1,266	999	210	349	278	52,691
Government Transfers	514	1,336	811	7,187	10,315	1,779	313	416	1,201	352	177	24,401
Other Revenue	1,089	28	491	-	90	14	86	14	30	54	152	2,048
Fines and Penalties	806	3,390	-	114	-	-	-	-	-	-	-	4,310
Contracted Services Revenue	-	2,932	-	-	1	-	-	-	-	-	-	2,933
Licenses and Permits	766	351	-	-	19	-	-	1,744	-	-	-	2,880
Franchise Fees	1,943	-	-	-	-	-	-	-	-	-	-	1,943
Investment Income	1,214	13	116	460	209	117	13	2	-	9	-	2,153
Developer Contributions and Levies	-	-	24	2,803	265	-	-	-	-	-	-	3,092
Total Revenue	91,758	9,300	12,216	42,758	11,855	6,060	1,678	3,175	1,441	764	607	181,612
Expenses												
Salaries, Wages and Benefits	11,918	18,155	12,446	4,369	8,316	2,210	2,803	3,222	1,249	3,134	1,418	69,240
Contracted and General Services	420	1,569	1,835	8,668	4,774	7,128	884	531	81	285	212	26,387
Amortization	1,050	817	3,383	4,114	9,121	1,584	67	37	-	555	18	20,746
Purchases from Other Governments	-	7,383	-	9,721	-	-	-	-	-	-	-	17,104
Materials, Goods and Utilities	334	851	3,495	909	4,435	2,270	726	62	72	463	345	13,962
Transfers to Individuals & Organizations	57	15	-	-	14	-	1,638	373	1,162	-	(1,399)	1,860
Interest on Long-Term Debt	-	-	1,275	-	1,109	-	-	-	-	-	-	2,384
Other Expenses (Recovery)	146	797	1,311	737	(2,691)	22	95	88	13	5	12	535
(Gain) Loss on Disposal of Tangible Capital Assets	(4)	(2)	(58)	66	(237)	136	-	(2)	-	-	-	(101)
Total Expenses	13,921	29,585	23,687	28,584	24,841	13,350	6,213	4,311	2,577	4,442	606	152,117
Excess (Deficiency) of Revenue over Expenses before Other	77,837	(20,285)	(11,471)	14,174	(12,986)	(7,290)	(4,535)	(1,136)	(1,136)	(3,678)	1	29,495
Other												
Contributed Assets	-	-	-	3,174	5,786	-	-	3,057	-	-	-	12,017
Excess (Deficiency) of Revenue over Expenses	$ 77,837	$ (20,285)	$ (11,471)	$ 17,348	$ (7,200)	$ (7,290)	$ (4,535)	$ 1,921	$ (1,136)	$ (3,678)	$ 1	$ 41,512

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.

20. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

CITY OF ST. ALBERT

Year Ended December 31, 2015

SCHEDULE 1 - SCHEDULE OF RESTRICTED SURPLUS - RESERVES

	2014	Transfers	Reductions	2015
Operating Reserves				
General Government	$ 10,189	$ 4,951	$ (2,185)	$ 12,955
Children's Festival	123	18	-	141
Museum	100	9	-	109
Library	54	-	-	54
Subtotal	10,466	4,978	(2,185)	13,259
Arts and Heritage Foundation	37	39	-	76
Total Operating Reserves	10,503	5,017	(2,185)	13,335
Capital Reserves				
General Government	48,648	28,790	(12,288)	65,150
Library	377	80	(64)	393
Subtotal	49,025	28,870	(12,352)	65,543
Utilities	24,459	16,232	(3,324)	37,367
Total Capital Reserves	73,484	45,102	(15,676)	102,910
Total Restricted Surplus Reserves	$ 83,987	$ 50,119	$ (17,861)	$ 116,245

CITY OF ST. ALBERT

Year Ended December 31, 2015

SCHEDULE 2 - SCHEDULE OF UTILITY SERVICES

	Water	Wastewater	Storm	Waste	2015	2014
Revenue						
Sales and User Fees	$ 14,659	$ 12,068	$ 6,278	$ 6,688	**$ 39,693**	$ 32,194
Government Transfers	-	1,952	1,811	-	**3,763**	7,187
Other Revenue	40	-	-	-	**40**	-
Fines and Penalties	54	47	22	18	**141**	114
Investment Income	180	167	370	(85)	**532**	460
Developer Contributions and Levies	4,510	144	-	-	**4,654**	2,803
Total Revenue	19,443	14,378	8,481	6,621	**48,923**	42,758
Expenses						
Purchases from Other Governments	4,642	5,646	-	-	**10,288**	9,721
Contracted and General Services	1,882	1,697	797	3,417	**7,793**	8,668
Amortization	1,608	1,104	1,239	327	**4,278**	4,114
Salaries, Wages and Benefits	1,706	1,536	440	1,040	**4,722**	4,369
Materials, Goods and Utilities	470	168	30	71	**739**	909
Other Expenses	123	238	34	402	**797**	737
Transfers to Individuals & Organizations	5	-	-	-	**5**	-
(Gain) Loss on Disposal of Tangible Capital Assets	(1)	(64)	-	-	**(65)**	66
Total Expenses	10,435	10,325	2,540	5,257	**28,557**	28,584
Excess of Revenues over Expenses Before Other	9,008	4,053	5,941	1,364	**20,366**	14,174
Other						
Contributed Assets	2,154	3,617	7,182	-	**12,953**	3,174
Excess of Revenue over Expenses	$ 11,162	$ 7,670	$ 13,123	$ 1,364	**$ 33,319**	$ 17,348

STATISTICAL SECTION

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GENERAL STATISTICAL INFORMATION

(Unaudited)

For the Years Ended December 31, 2011 - 2015 **(In thousands of dollars)**

	2015	2014	2013	2012	2011
POPULATION (2)	**63,255**	**63,255**	**61,421**	**60,944**	**61,466**
NUMBER OF DWELLING UNITS (5)	**25,285**	25,040	24,714	24,001	23,446
MUNICIPAL AREA (IN HECTARES)	**4,973**	4,973	4,973	4,973	4,966
BUILDING PERMITS VALUE (IN THOUSANDS)					
Residential	**154,980**	176,794	158,676	97,580	95,214
Commercial	**21,920**	19,363	42,569	16,340	4,573
Industrial	**3,362**	8,515	5,787	21,023	14,420
Institutional	**39,554**	633	2,405	1,524	996
	219,816	205,305	209,437	136,467	115,203
BUILDING PERMITS ISSUED					
Residential	**718**	759	725	616	614
Commercial	**70**	68	74	66	57
Industrial	**41**	60	59	44	50
Institutional	**31**	20	21	16	18
	860	907	879	742	739
PARK AREA (IN HECTARES) (3)	**522**	515	510	513	511
TAX COLLECTION RATE (PERCENTAGE)	**97.56**	97.44	97.22	97.78	97.45
LONG TERM DEBT					
Long term debt **(IN THOUSANDS)**	**45,515**	49,270	52,858	56,821	61,190
Retired Within 5 Years	**46.0**	42.0	37.0	34.0	32.0
Retired Thereafter	**54.0**	58.0	63.0	66.0	68.0
RESIDENTIAL TAX INCREASE %	**1.8**	0.2	2.8	2.6	3.2
QUALITY OF LIFE SATISFACTION (4)	-	98	-	99	-
CONSUMER PRICE INDEX CHANGE (PERCENTAGE) (1)					
Alberta	**1.1**	2.6	1.4	1.1	2.4
Canada	**1.1**	2.0	0.9	1.5	2.9
UNEMPLOYMENT RATE(PERCENTAGE)(1)					
Alberta	**6.0**	4.7	4.6	4.5	4.9
Canada	**6.9**	6.9	7.1	7.0	7.5
CITY OF ST.ALBERT EMPLOYEES (6)	**611.71**	585.21	575.64	560.07	553.04
NET DEBT PER CAPITA	**720**	779	861	932	996

Notes

1. Consumer Price Index and Unemployment Rate data obtained from Statistics Canada
2. 2014 St. Albert Municipal Census Report is used for 2014 and 2015
3. Provinical Parks and Urban Reserves are not included within Park Area Calculation
4. Quality of Life Satisfaction Survey is completed every two years
5. Number of Dwelling Units is based on Assessment Department data
6. Positions are stated in full time equivalents

TAXATION AND ASSESSMENT

For the Years Ended December 31, 2011 - 2015

	2015	2014	2013	2012	2011
TAX RATES (in millions)					
Municipal - Residential	**7.631**	7.684	7.723	7.631	7.316
Municipal - Non-Residential	**10.530**	10.893	11.357	11.880	12.296
Public School (PROTESTANT)					
Residential	**2.381**	2.502	2.598	2.798	2.552
Non-Residential	**3.247**	3.392	3.504	3.500	3.482
Separate School (CATHOLIC)					
Residential	**2.381**	2.502	2.598	2.798	2.552
Non-Residential	**3.247**	3.392	3.504	3.500	3.482
ASSESSMENT (percentage change)					
Residential - Market Value	**3.52**	1.51	1.53	(1.81)	5.10
Residential - Growth	**3.11**	2.62	2.28	1.60	2.15
Non - Residential Market Value	**6.70**	5.48	7.79	6.41	1.47
Non - Residential Growth	**5.15**	4.90	2.97	3.46	5.24

TAXATION AND REQUISITIONS

For the Years Ended December 31, 2011 - 2015 (in thousands of dollars)

	2015	2014	2013	2012	2011
TAXATION					
Real Property Taxes	$ **117,596**	$ 111,529	$ 107,877	$ 104,085	$ 98,261
Linear Property Taxes	**1,090**	1,110	1,059	1,139	1,132
Government Grants in Place of Property Taxes	**1,288**	1,082	1,032	1,022	1,007
	119,974	113,721	109,968	106,246	100,400
REQUISITIONS					
Alberta School Foundation Fund	**21,078**	20,404	27,082	19,134	17,462
Opted Out School Board	**7,074**	7,069	-	8,355	7,632
Sturgeon Foundation Requisition	**1,051**	1,007	947	940	836
Other	**80**	80	291	284	487
	29,283	28,560	28,320	28,713	26,417
TAXES AVAILABLE FOR MUNICIPAL PURPOSES	$ **90,691**	$ 85,161	$ 81,648	$ 77,533	$ 73,983

TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES

For the Years Ended December 31, 2011 - 2015 (in thousands of dollars)

	2015	2014	2013	2012	2011
TAXABLE ASSESSMENT					
Residential	$ **9,711,715**	$ 9,097,802	$ 8,733,438	$ 8,410,660	$ 8,430,912
Commercial	**968,305**	868,053	776,984	684,622	610,102
Industrial	**417,954**	369,993	333,233	307,784	279,800
Linear and M & E	**78,738**	77,811	74,727	74,481	75,740
	11,176,712	10,413,659	9,918,382	9,477,547	9,396,554
GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	**97,244**	77,141	74,465	68,228	65,908
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES	$ **11,273,956**	$ 10,490,800	$ 9,992,847	$ 9,545,775	$ 9,462,462
TOTAL TAXABLE ASSESSMENT AND GOVERNMENT GRANTS IN PLACE OF PROPERTY TAXES (PERCENTAGE)					
Residential	**86.1**	86.7	87.4	88.1	89.1
Commercial	**8.6**	8.3	7.8	7.2	6.4
Industrial	**3.7**	3.5	3.3	3.2	3.0
Linear and M & E	**0.7**	0.8	0.8	0.8	0.8
Grants in Place	**0.9**	0.7	0.7	0.7	0.7
RESIDENTIAL / NON-RESIDENTIAL SPLIT* (PERCENTAGE)					
Residential	**86.2**	86.8	87.4	88.2	89.1
Non-Residential	**13.8**	13.2	12.6	11.8	10.9

* With grant in place allocated between residential and non-residential.

TAX COLLECTION

For the Years Ended December 31, 2011 - 2015 (in thousands of dollars)

	2015	2014	2013	2012	2011
CURRENT LEVY	$ **120,089**	$ 113,831	$ 110,052	$ 106,327	$ 100,463
TAXES RECEIVABLE					
Current	**1,750**	1,869	2,110	1,613	1,524
In Arrears for More than One Year	**1,180**	1,042	947	751	783
	$ **2,930**	$ 2,911	$ 3,057	$ 2,364	$ 2,307
TAXES OUTSTANDING, BEFORE ALLOWANCE					
Total %	**2.44 %**	2.56 %	2.78 %	2.22 %	2.30 %

Note that 14 principle taxpayers made up 5 per cent of the 2015 tax levy; therefore, no undue reliance is placed upon any one taxpayer.

TOTAL LONG-TERM DEBT AND LONG-TERM DEBT SERVICING LIMITS

For the Years Ended December 31, 2011 - 2015 (in thousands of dollars)

	2015	2014	2013	2012	2011
TAXES RECEIVABLE					
Tax Supported	$ 45,515	$ 49,270	$ 52,858	$ 56,821	$ 61,190
	45,515	49,270	52,858	56,821	61,190
TOTAL LONG-TERM DEBT					
Maximum Allowable Annual Debt Servicing	$ 46,735	$ 40,333	$ 40,261	$ 36,627	$ 33,874
Annual Servicing on Existing Debt	6,000	6,000	6,000	6,564	7,199
Amount of Limit Used (Percentage)	13	15	15	18	21

RESTRICTED SURPLUS RESERVE BALANCES

For the Years Ended December 31, 2011 - 2015 (in thousands of dollars)

	2015	2014	2013	2012	2011
OPERATING RESERVES					
General Government	$ 12,955	$ 10,189	$ 7,419	$ 6,231	$ 6,096
Children's Festival	141	123	199	197	236
Museum	109	100	91	82	44
Library	54	54	57	67	67
Subtotal	13,259	10,466	7,766	6,577	6,443
Arts & Heritage Foundation	76	37	27	8	21
Total Operating Reserves	13,335	10,503	7,793	6,585	6,464
CAPITAL RESERVES					
General Government	65,150	48,648	47,104	23,772	24,563
Library	393	377	450	248	321
Subtotal	65,543	49,025	47,554	24,020	24,884
Utilities	37,367	24,459	18,602	16,450	12,902
Total Capital Reserves	102,910	73,484	66,156	40,470	37,786
TOTAL RESTRICTED SURPLUS RESERVES	$ 116,245	$ 83,987	$ 73,949	$ 47,055	$ 44,250

KEY COMPONENTS OF FINANCIAL POSITION

For the Years Ended December 31, 2011 - 2015 (in thousands of dollars)

	2015	2014	2013	2012	2011
Total Financial Assets	$ **171,141**	$ 152,441	$ 128,718	$ 107,181	$ 90,749
Total Financial Liabilities	**101,479**	118,760	111,204	121,873	113,336
Net Debt	**69,662**	33,681	17,514	(14,692)	(22,587)
Total Non-Financial Assets	**877,432**	855,620	830,275	775,792	754,439
Total	**947,094**	889,301	847,789	761,100	731,852
Key Components of Financial Assets Include:					
Cash and Cash Equivalents	**37,403**	27,680	43,015	21,176	35,425
Investments	**118,057**	111,248	72,615	74,194	43,981
Key Components of Financial Liabilities Include:					
Long-Term Debt	**45,515**	49,270	52,858	56,821	61,190
Key Components of Non-Financial Assets Include:					
Tangible Capital Assets	**875,884**	854,363	828,880	774,492	752,965
Key Components of Accumulated Surplus Include:					
Invested in Tangible Capital Assets	**830,369**	805,094	776,022	717,671	691,775
Restricted Surplus - Reserves	$ **116,245**	$ 83,987	$ 73,949	$ 47,055	$ 44,250

	2015	2014	2013	2012	2011
ACQUISITIONS OF TANGIBLE CAPITAL ASSETS					
Building Improvements	$ **151**	$ 699	$ 1,540	$ 1,435	$ 2,053
Library Collections	**413**	445	509	445	425
Land Improvement	**1,095**	1,297	1,184	841	2,688
Engineered Structures	**26,347**	24,034	20,700	16,309	17,722
Buildings	**39**	269	(1,987)	4,439	762
Machinery and Equipment	**2,436**	3,049	1,881	1,960	3,372
Land	**-**	11,882	29,253	1,772	17,714
Vehicles	**3,051**	2,160	1,200	1,886	1,556
Assets Under Construction	**10,401**	2,793	20,265	13,299	(822)
TOTAL TANGIBLE CAPITAL ASSET ACQUISITIONS	$ **43,933**	$ 46,628	$ 74,545	$ 42,386	$ 45,470

REVENUE BY OBJECT, EXPENSE BY FUNCTION , AND ANNUAL SURPLUS

For the Years Ended December 31, 2011 - 2015 (in thousands of dollars)

	2015	2014	2013	2012	2011
REVENUE AND OTHER					
Property Taxes	$ **90,691**	$ 85,161	$ 81,648	$ 77,533	$ 73,983
Sales and User Fees	**59,640**	52,691	49,465	45,898	42,589
Government Transfers	**21,684**	24,401	37,365	27,533	22,763
Fines and Penalties	**6,578**	4,310	3,704	4,140	3,610
Developer Contributions and Levies	**14,314**	3,092	11,318	3,779	811
Contracted Services Revenue	**2,593**	2,933	2,436	2,424	2,378
Licenses and Permits	**3,226**	2,880	2,846	2,125	1,782
Other Revenue	**1,550**	2,048	984	2,078	3,954
Franchise Fees	**2,015**	1,943	1,788	1,877	1,400
Investment Income	**2,350**	2,153	1,648	1,201	1,126
TOTAL REVENUE BY OBJECT	**204,641**	181,612	193,202	168,588	154,396
EXPENSE BY FUNCTION					
Protective Services	**31,874**	29,586	29,255	27,761	24,720
Utility Services	**28,557**	28,519	26,320	25,516	26,055
Recreation and Parks	**24,610**	23,746	23,500	23,714	23,039
Transportation and Roadway Services	**24,404**	25,078	23,632	21,075	21,118
General Government Services	**16,167**	13,924	12,222	12,268	11,121
Transit Services	**13,942**	13,214	12,679	11,886	11,002
Cultural Services	**13,381**	11,261	10,828	11,212	12,499
Planning and Development Services	**4,318**	4,313	3,750	3,885	3,484
Family and Social Services	**2,620**	2,577	2,701	2,680	2,610
TOTAL EXPENSE BY FUNCTION	**159,873**	152,218	144,887	139,997	135,648
ANNUAL SURPLUS	**44,768**	29,394	48,315	28,591	18,748
Contributed Assets	**13,025**	12,017	38,580	2,093	6,320
BEGINNING ACCUMULATED SURPLUS	**889,301**	847,789	761,100	731,852	707,807
ACCUMULATED SURPLUS END OF YEAR	$ **947,094**	$ 889,200	$ 847,995	$ 762,536	$ 732,875

EXPENSES BY OBJECT

For the Years Ended December 31, 2011 - 2015 (in thousands of dollars)

	2015	2014	2013	2012	2011
Salaries, Wages and Benefits	$ **73,264**	$ 69,240	$ 65,623	$ 62,437	$ 58,540
Contracted and General Services	**28,480**	26,387	23,835	22,814	24,448
Amortization	**21,644**	20,746	19,872	19,264	19,164
Purchases from Other Governments	**18,194**	17,104	16,600	14,920	14,415
Materials, Good and Utilities	**13,384**	13,962	13,910	13,508	12,810
Transfers to Indiviuals & Organizations	**1,612**	1,860	1,938	2,831	2,258
Interest on Long Term Debt	**2,217**	2,384	2,557	2,748	2,989
Other Expenses (Recovery)	**920**	535	552	1,475	1,024
(Gain)/Loss on Disposal of Tangible Capital Assets	**158**	(101)	206	1,436	1,023
TOTAL EXPENSES	$ **159,873**	$ 152,117	$ 145,093	$ 141,433	$ 136,671

2015 Annual Report

City of St. Albert

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